

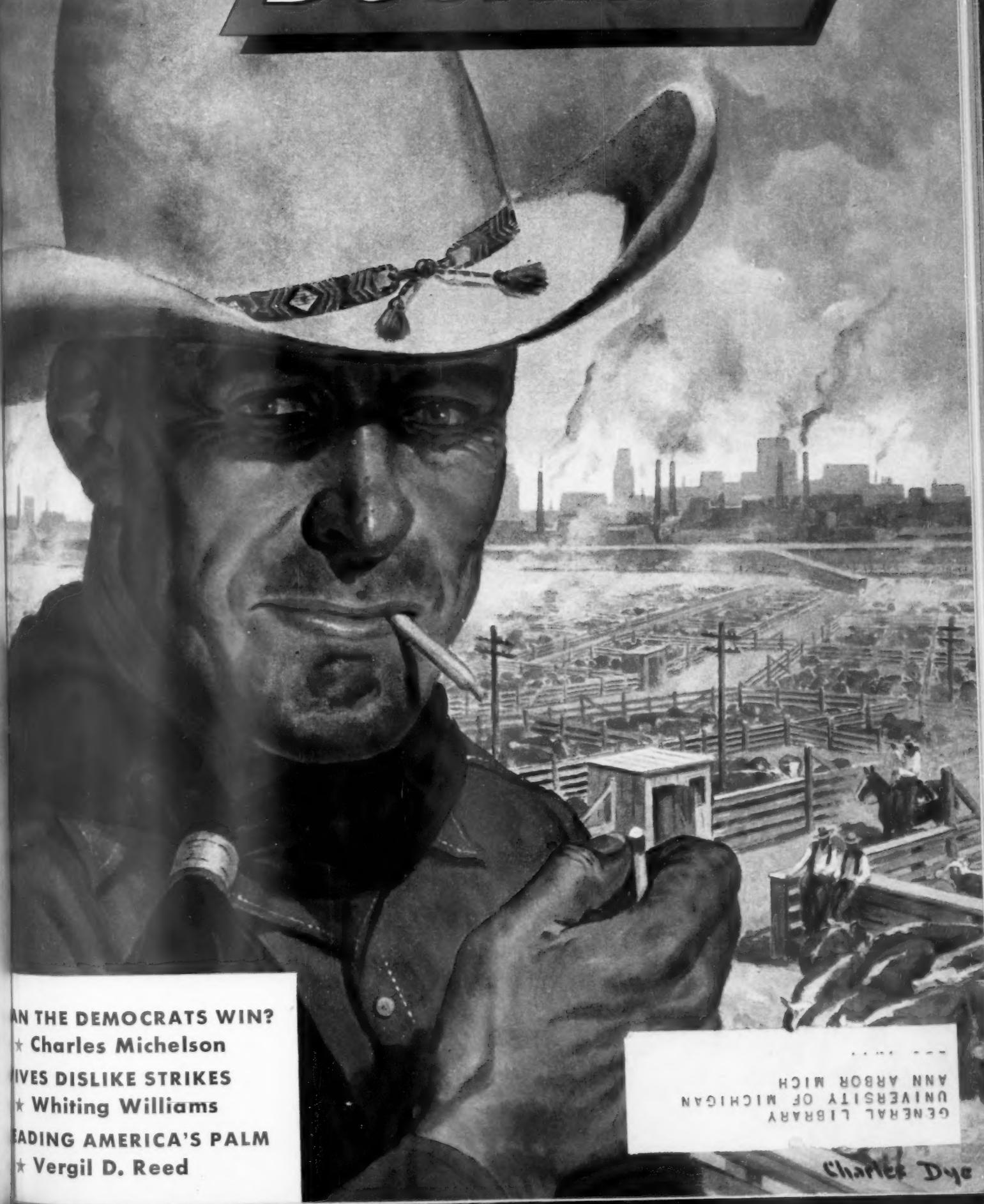
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June

NATION'S 1946

BUSINESS



CAN THE DEMOCRATS WIN?

★ Charles Michelson

★ LIVES DISLIKE STRIKES

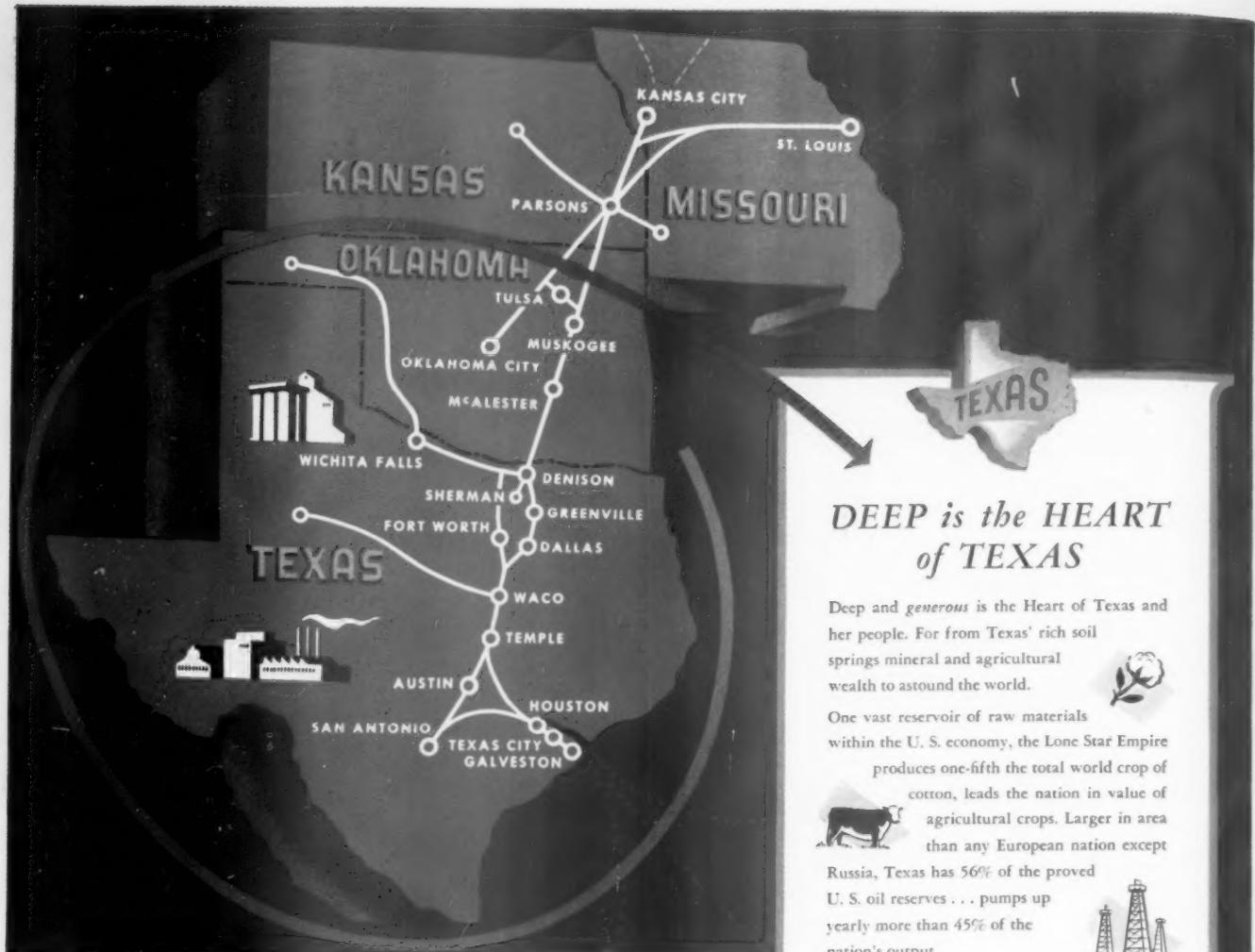
★ Whiting Williams

★ LEADING AMERICA'S PALM

★ Vergil D. Reed

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Charles Dye



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A state of "mores," Texas boasts of more square miles, more sheep, more cattle, more turkeys, more citrus fruits and vegetables, more sulphur, more Butadiene, more octane gasoline and natural gas, more helium, more miles of railroad, etc., than any other state in the Union.

But far from dependent on a strict raw-material economy, Texas today is plastering the landscape with concrete and steel . . . manufacturing the myriads of products required in this vast empire of teeming home markets and skyscraper-studded cities. To learn how your business may prosper in this rapidly expanding area, among friendly, cooperative, deep-hearted Texans, write for the informative booklet, "The Industrial Southwest."

DALLAS 2, TEXAS
ST. LOUIS 1, MO.

335

Opportunity for a Business Hero

Texas and the whole Katy-served Southwest offer you an opportunity to become a business hero. Here's how . . .

As you assume the initiative in your firm in investigating, then advocating the unusual profit possibilities of a branch or plant in this rapidly expanding area, you are sure to win recognition and advancement from your business associates.

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MISSOURI-KANSAS-TEXAS RAILROAD SYSTEM



Nation's Business



PUBLISHED BY

CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 34

JUNE, 1946

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VENUS

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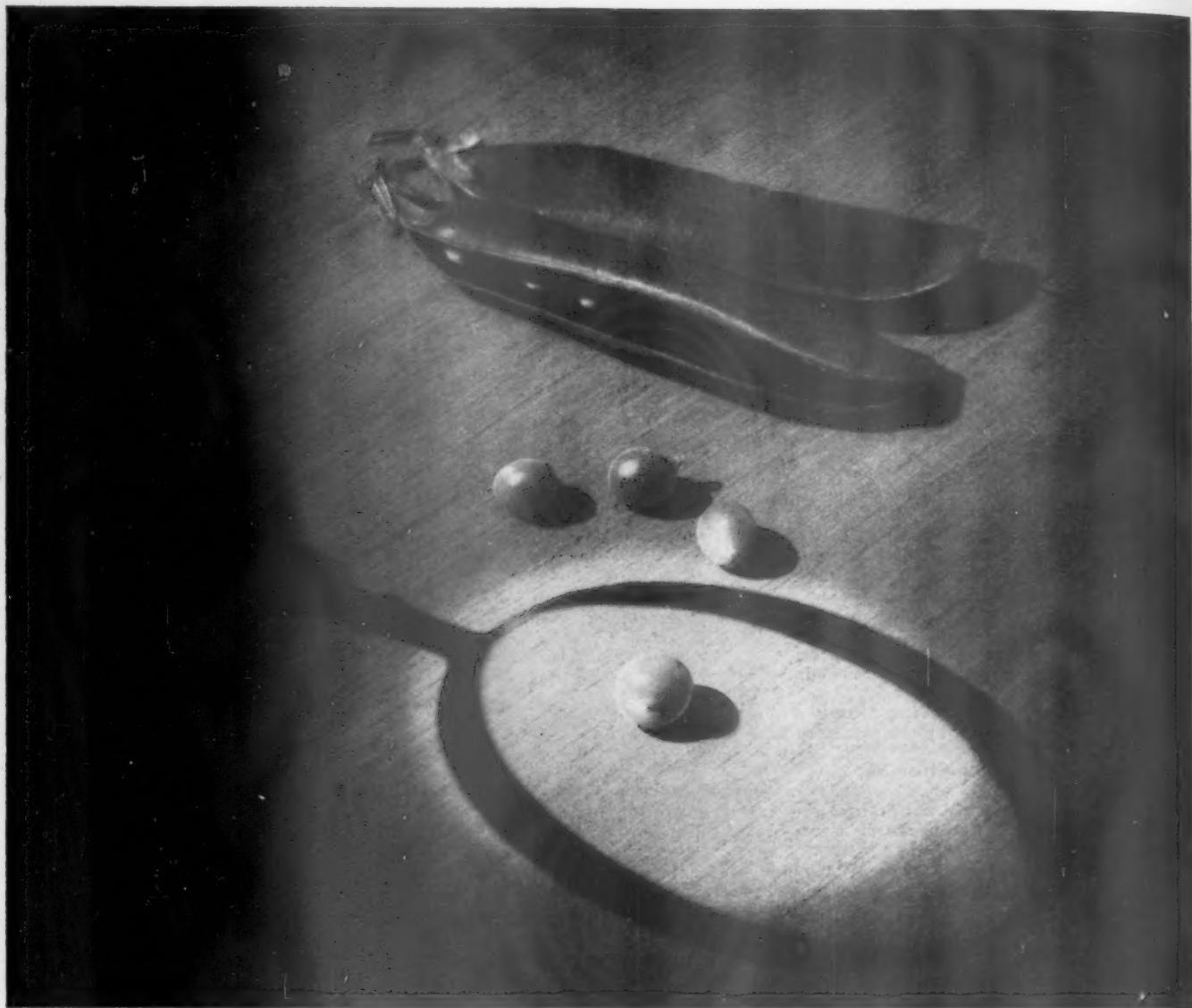


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the vegetable world—is the
number one job in the technique of food freezing.

The trick is to stop the invisible fermentation produced by enzymes, before the freezing process begins. And this is accomplished by blanching, a precisely controlled steam treatment.

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natural characteristics of fresh vegetables. How well he has perfected his technique is attested to by the ever-increasing demand for quick frozen foods!

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**THE STATE
OF MISSOURI**
In The Heart of America

NB Notebook

Graduates

BY THIS TIME, according to forecasts made by some government economists last fall, the sheepskins soon to be handed out on platforms throughout the land would be going to hapless youths who would step down to join the desolate ranks of unemployed millions. Happily those predictions have fallen far wide of the mark, indeed. Once more industry has turned the trick.

Where technical students were concerned, many of them knew six months ago that the forecasts were so much bosh, and that their careers were assured with some of the biggest companies in the country. They were "rushed" in true fraternity fashion to sign up because the shortage is severe—and still needs attending to.

No cure-all

FEW WOULD be foolish enough to question the business and public benefit of a balanced federal budget. It would be far from desirable, however, to have citizens accept the notion that balancing the budget is an economic cure-all.

After World War I, let us remember, budget surpluses started in fiscal 1920 and black ink was used right up to fiscal 1931. Possibly the "business climate" of the 'twenties was just too good for our economic health. At any rate the anti-inflation medicine now prescribed did not prevent the building bubble, the Florida jamboree and stock market high jinks. The debacle of 1929 is no mere figment of the imagination.

Some of the remedies that followed in the 'thirties were ill conceived. Others have demonstrated their worth—FHA and bank deposit insurance get top honors.

The moral of this piece is that the problem of business cycles is not solved by the one act of balanc-

ing the federal budget. It must be studied from many angles. If there is an underlying solution it probably will be discovered somewhere in the vicinity of the program which calls for "more goods to more people at ever lower prices."

Wrong order

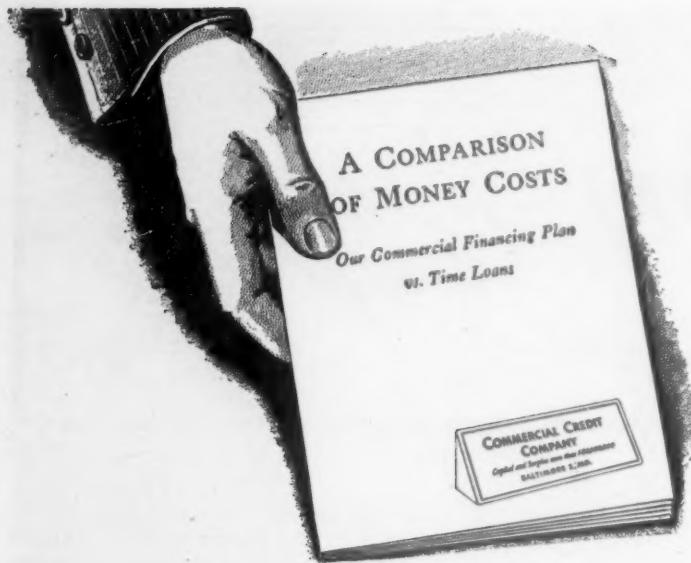
"MEN ARE discovering the right things but in the wrong order, which is another way of saying that we are learning how to control nature before we have learned how to control ourselves."

In these words Raymond B. Fosdick, president of the Rockefeller Foundation, winds up his analysis of the good and evil that flow from scientific research and the problems posed by the atomic bomb. With many other organizations, the Foundation played a part, "an unwitting part," in the creation of the bomb. Fellowships had been provided for a number of the leaders of the project. The 184-inch cyclotron at the University of California had been financed by the Foundation.

Traditionally, Dr. Fosdick points out in his review of activities in 1945, the program of the Rockefeller Foundation has been the widening of understanding and the development of rallying points of unity, around which men of differing races, cultures and faiths can join. These areas of common interest have been in the fields of science, agriculture, public health, medicine, the humanities and social studies.

"The lack of underlying forms and forces of cohesion," Dr. Fosdick explains in his review, "is the principal handicap in our attempts to create a world organization.

"Over all our efforts in the years immediately ahead will hang this threatening question: Have we time? Fear and uneasiness will dog the steps of this generation like menacing shadows. There will be



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no escape from them. Perhaps, as Einstein has said, they will act as a spur in our efforts to achieve a united world. But unless we succeed in building a moral basis for such a world, even the spur of fear will not get us very far."

Saving steps

PRODUCTIVITY has long been the main goal of production men and now rising wage levels have pointed stores and offices in the same direction. At a recent meeting of management executives a speaker pointed out that in the last decade the number of office workers has jumped from one to three or four for every ten plant workers.

According to Joseph C. Spickler of the Bureau of Standards and Industrial Engineering of Marshall Field & Co., Chicago, one way to meet this problem is work simplification. He gives this definition:

"Work simplification is the organized application of common sense to find easier and better ways of doing work. It is not working harder or faster, but the finding of a better method through elimination of wasted effort and lost motions."

After all this is the plant method, too. But that it works in offices was made plain by Mr. Spickler in addressing a meeting of credit managers. In the Marshall Field credit and collection office, the program saved 10,000 man hours which included 20,000,000 feet of walking.

None: 51 per cent

SO MANY examples come to hand of companies which are now trying to keep employees informed on their affairs that it is a bit surprising to get the results of a recent survey dealing with what ought to be a top subject of company information.

The Wage Earner Forum, conducted by Macfadden Publications, was asked, "Has your company given you any information about its postwar plans and prospects?" The answers from the workers ran in these percentages.

	Total	Union	Non-Union
A lot	12.3	7.4	16.5
A little	29.6	32.4	27.1
None	51.1	55.4	47.3
No answer	7.0	4.8	9.1
	100.0	100.0	100.0

The Forum comprises wage earner families in selected cities across the country chosen to represent a fair cross section of skilled,

semiskilled and unskilled labor as distinguished from executives, proprietors and professional and other white collar occupations.

It is interesting to note in the tabulation given that non-union workers got more information than their unionized brethren which brings up a significant point on the information pattern. Does the employer just lose interest in cementing human relations when a union steps in?

It was this Forum, incidentally, which once brought forth the comment from a worker: "There are millions spent for machinery and material and sales research and scarcely two cents for looking into ways and means of improving that essential thing called human relations." This survey seems to support his notion in more than half of the cases.

Helping the unknowns

SOME MONTHS ago the plan of Safeway Stores, Inc. to open up its distributive facilities to smaller manufacturers whose products met required standards was reported here.

This policy was adopted to meet a rather common complaint that the little fellow stood little chance of selling his wares to the big fellow until he got big himself. And how do you get big if you never get started?

Safeway buyers were instructed that they would no longer be restricted to the purchase of brands and items which had an established demand.

Reports on the experiment from four divisions of the company for the last quarter of 1945 have disclosed that 279 requests were received of which 78, or 28 per cent, were accepted and the products stocked.

The 201 rejections were made for the following reasons: 115 because adequate supplies of similar products were already stocked; 24 because the products offered were foreign to the company's business; 21 because demand for the product was insufficient; 9 because prices were too high; and four because experience with similar products had been unsatisfactory. The rest of the rejections were due to unsatisfactory grades and the type of packaging.

Retail sales estimate

IN REPORTING upon retail sales for the first quarter, the Commerce Department estimated that in the aggregate they reached an



QUIZ: What is the man doing—why is it important in laying cast iron pipe, and to you as a taxpayer?

ANSWER: He is jointing up two lengths of cast iron pipe which will be part of a water main. Because he does his job well, the joints won't leak. The cost of maintaining the line will be low. Streets won't be dug up for repairs. You will pay less in taxes or water bills. But, in any case, you and your fellow taxpayers are bound to pay less when cast iron pipe is used for water mains because it serves for centuries.

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SERVES FOR CENTURIES**



QUIET explosions at work!

Thousands of explosions—real explosions—powerful explosions. Each strong enough to move your car...but none of them loud enough to make you turn around.

QUIET—BUT EXCITING MOMENTS like these—moments spent taking the noise out of explosions, putting more power at your disposal—are typical scenes in Cities Service laboratories across the nation. There, exhaustive studies are continuously being made to provide better gasoline and fuel products.

In 1929, Cities Service developed

and patented the famous Power Prover—a device through which you can gauge the real efficiency of an engine by measuring the oxygen and combustibles in the exhaust gases. Later, Cities Service applied the Power Prover technique to aviation problems—as a result these instruments became invaluable to us in the war.

Today Cities Service is producing gasoline fuels that are so high in octane value that present automobile engines cannot take full advantage of them. And so it goes—the gasoline advances of today are waiting for the car of tomorrow. Yes, you can look to Cities Service for important new developments where petroleum is concerned.



**CITIES
SERVICE service is our middle
OILS**

Sixty Wall Tower, New York

• Arkansas Fuel Oil Co., Shreveport, La.

annual rate of \$89,500,000,000. In 1941 the total was \$55,500,000,000.

Price advances over the intervening period account for a substantial part of the increase in sales, the department was careful to explain.

Going over the group figures, a little arithmetic can be used to work out an estimate approaching the \$100,000,000 mark.

Sales of durable goods were a category where the annual rate was below 1941 actual sales and this because of lack of goods to sell. If supplies of these lines, which include automobiles and accessories, furniture, electrical appliances and jewelry, continue to register marked expansion, the sales rise would pile on top of the aggregate annual rate achieved in the first quarter.

Thus, first quarter sales of durable goods were estimated to be running at an annual rate of \$14,500,000,000 against actual sales of \$15,600,000,000 in 1941. Should they achieve the increase of 61 per cent over 1941 which food sales and non-durable goods volume have recorded, then almost \$9,000,000,000 would be added to the 1946 trade total.

Inventory

WITH some indications found that business may repeat the mistakes which led to the price collapse of 1920 (the primary postwar depression) perhaps the comment of a top-ranking industrial leader concerning inventories is worth passing along at this juncture.

"Inventory is listed as an asset on the balance sheet," he remarked.

"Actually inventory is a liability, and stands that way with a capital L in the mind of any company president worthy of his job—until it is sold.

"Thousands of businesses have gone broke trying to make money out of inventory appreciation and failing to see that a balance sheet asset is no asset at all until it is converted into hard cash or receivables."

Right now it isn't inventory but lack of inventory that irks the men of trade and industry. However, there is no dearth of outstanding orders.

In fact, there is a well defined suspicion that this volume represents tremendous duplication.

When the flood of shipments starts, balance sheet assets will rise and soon it will be determined whether they have been properly defined.

MANAGEMENT'S *Washington* LETTER

A last minute roundup by a staff of Washington observers of government and business

► BUSINESS IS TRYING to remain optimistic but it is shifting its optimism from 1946 to 1947.

The promise 1946 once held has been shattered by strikes, cost squeezes, remnants of price controls, shortages in materials and transport, cloudiness or absence of Government policy.

So 1946 is being written off as a re-adjustment year. Present outlook is that final adjustments will be made, additional facilities built, new production records reached in 1947, setting the stage for an all-out record-breaking year in 1948.

This year is being compared with 1919—filled with delays, uncertainties, but leading into 1920's high production.

► ADD COPPER to your acute shortage list. Probably will create a bulge in the commodity price line within next 10 months, controls or no controls.

Demand will bring 15 cent price against present 12 cents. That's what the industry thinks.

At 15 cents correctives will go into action—restricted buying, use of substitutes, increased production, competition—holding price around that level.

Thus the forces of free economy break through and override the controls of a managed economy. These are forces business men can anticipate, work under.

It's a pattern that can be applied to other materials.

► CHEMICALS HAVE a bullish outlook, probably have more reason for it than most other lines.

Chemicals in general are soundly financed. Their plant is in excellent shape, much of it new. They can expand out of their own resources.

► AVIATION MANUFACTURERS are greatly overbuilt. But there's lots of ingenuity in their management. Individual makers reach tremendous output and backlog bulges when they come out on top with

successful commercial models, fall off as trade leadership is lost.

At present nearly all makers of multi-engine war craft have comfortable backlogs for commercial versions.

In the operating end—big lines are in good shape, though some may be overbought on new equipment. Tendency in the postwar equipment rush has been to cover all possibilities of need.

Some "orders," however, prove to be options, or part orders, part options.

Civil Aeronautics Authority, by the way, is reaching for more power over airline finances. It would like to exercise same control that Interstate Commerce Commission has over railroads.

► NEW PRESIDENT of the National Chamber, William K. Jackson of Boston, believes in decentralization of ideas, of thinking.

He will push program to give grass roots better understanding, greater influence on national issues, less dependence on Washington talk.

He will also push Chamber's policy of returning authority from the Capital to states and localities.

Indication of his policy thinking came in coal controversy statement. He demanded "no truce on the public's rights to fundamental order and equity in industrial relations," made it sharply clear that public order, health and safety must not be endangered by labor strife.

► HOUSING EXPEDITER Wilson Wyatt, armed with \$400,000,000 for subsidy payments, is out to put veterans in heavily mortgaged houses they don't want.

Survey of all vets discharged in seven months following V-J Day, made for New York legislature, showed 71.8 per cent wanted to rent shelter. Only 20.3 per cent hoped to buy. The rest didn't care.

Vast majority of veterans are in their 20's. They want to look around before they settle, don't want to be frozen to 20 or 30 year mortgage schedules.

United States Employment Service finds that 75 per cent of employed veterans are making \$40 a week, or less. At \$40, leaving scant allowance for other inflated living costs, veteran could handle a maximum mortgage of \$4,000.

Construction men fear veterans housed under Wyatt program may become bitter over cheap housing, long-payment plans. This would open the way, they point out, for Congressional drive to "excuse" payment of mortgage balances.

► FEDERAL RESERVE presses for tighter controls on bank credit, because dis-

astrous lack of production generates high-voltage inflation pressures.

Congress majority is disposed to leave credit controls to the banks; does not favor the idea of new legislation to increase reserve requirements; believes Federal Reserve regulations already provide ample authority.

Federal Reserve reports hint that government stabilization program may be in grave danger—a danger which routine price indices do not reflect from week to week, because many prices now are set on informal premium basis; reported market prices are largely nominal.

The last six months have demonstrated that we have not beat inflation with production.

Next attack will be to restrain market demand by every means possible.

► CONGRESS is aiming intently at sine die adjournment first week in July, not to return until January; anticipates confidently that November elections will clear the air of many hang-over administrative bottlenecks in Washington.

Business significance: Basic economy of nation continues through most of 1946 under virtual wartime federal controls, allocations, quotas, guesses.

Everything will be an emergency, because government policy continues on a 24-hour basis tuned to help CIO-managed economy adherents survive November balloting.

► HIGHER FREIGHT RATES must be anticipated, probably by August, following ICC hearings on permanent horizontal boost to cover wage increases.

Bowles tells ICC higher freights would result in many higher price ceilings, but acknowledges present rates and volume will not sustain 1946 wage increases to rail workers.

► CONSTRUCTION COSTS are 40 per cent above 1939, and still advancing about 1 per cent a month.

Lumber is up 72 per cent from prewar, without counting latest price increases approved by OPA. Brick, tile and paint are up 30 per cent; plumbing and heating equipment is 25 per cent higher.

These costs mean that your fire and tornado insurance, if based on prewar valuations, really gives you about 60 per cent coverage on today's replacement costs. A 50 per cent increase in your insurance would just about bridge the gap for next 12 months.

► WAGE INCREASES followed by higher prices do not improve the position of the worker, AFL admonishes.

"The Government merely takes away with one hand what it gives with the other . . . The answer is to get back as quickly as possible to free collective bargaining, free enterprise and increasing productivity."

In contrast, many CIO leaders still cling to the Henry Wallace theory that wages can go up without price advances.

This is a major reason many employers prefer to deal with AFL.

► WAGE STABILIZATION BOARD rules that employers forfeit privilege of applying for price increases to sustain wage advances unless that right is specifically reserved by filing of new Form 9.

This form keeps open the path to compensating price adjustments in light of operating experience following wage increase. Failure to file closes door to later price hearings.

► PHILIPPINE ISLANDS enjoy exclusive preferential trade status with U.S. under new rehabilitation program, opening way for duty-free imports from entire Pacific area through Philippine re-exports.

New arrangement closely parallels Britain's empire-preference system; eliminates most-favored-nation principle on imports to U.S.; would never have been accepted by Congress save as a measure to aid economic rehabilitation of the Philippines on eve of national independence this July.

Tariff preference is limited to 28 years.

► HARVARD SURVEY estimates pent up demand for consumer durable goods—autos, refrigerators, laundry equipment, etc.—now totals \$50,000,000,000. Our biggest prewar year in these items was about \$10,000,000,000.

► WHEAT STATES in Congress demand a fixed government policy and program for the new crop year beginning July 1. Spokesmen say ever-shifting federal orders cripple normal marketing system, pile up tremendous waste in precious animal feeds, point out that May price increases, plus domestic milling subsidy of 33 cents places real market value of flour about 65 or 70 cents a bushel above present OPA wheat ceiling.

"No industry can operate under a government program which changes every week," say grain trade spokesmen.

► CALIFORNIA CANNING STRIKES threaten much of 1946 fruit and vegetable pack. CIO units time shut-downs to coincide with in-movement of successive crops.

By catching each crop at its seasonal peak, strikes force distress sales in fresh markets, thus curtailing normal commodity packs as much as 50 per cent.

This is normal, smart strike-strategy but Washington suspects Communist "party line" is to restrict U.S. food production wherever possible, as best means of curbing U.S. influence in Europe. American relief food is obstacle to Moscow's diplomacy on the continent of Europe.

► ARMY INVITES industry's cooperation in research and inventions, through a new general staff Division of Research & Development. Purpose of new unit, a pet of General Eisenhower, is to keep military equipment fully abreast of our swiftly advancing industrial technology.

Through a civilian advisory committee, every advance in science and engineering will be brought before the Army for appraisal of its military potential. Never before has the General Staff maintained a special unit exclusively for consideration of new industrial ideas.

► PETROLEUM INDUSTRY has a permanent peacetime clearing house in the new Oil & Gas Division of the Interior Department.

Secretary Krug approves creation by the industry of a National Petroleum Council, to continue government-industry cooperation along lines established by the liquidated Petroleum Administration for War.

Petroleum Council would be a permanent industry advisory committee to guide policy decisions of the new Oil & Gas Division.

► GLASS CONTAINERS will remain under government allocation through 1946 packing season. CPA estimates demand at 130,000,000 gross, against production of 110,000,000.

Tin shortage throws a new load on glass, but glass makers can't get new iron molds to expand production.

► SCIENTIFIC SOCIETIES and industry experts are urged to assist the Federal Specifications Board in its overhaul of government procurement practices.

Board will take permanent status as clearing house for advancing industrial technology and production processes.

Howard Coonley, chairman of the American Standards Association, heads the new Industry Advisory Council, care of Procurement Division, Treasury Department, Washington.

► MINERAL EXPLORATIONS have revealed gold, copper and tungsten deposits in

North Carolina; manganese in South Carolina; high grade silica sands in Florida, manganese and fine glass sands in Georgia.

Wartime explorations, heretofore secret, are now available in reports of the Bureau of Mines.

► SURPLUS MERCHANT SHIPS will be ready for commercial charter bidders this month, but Maritime Commission will remain a silent partner in all charter operations for the duration of contracts, taking one-half of vessel profits over 10 per cent after depreciation.

Provisions will be inserted in charters fixing financial requirements of bidders, to prevent a new crop of experimental operations during the peak demand for bottoms.

The new Ship Sales Act aims to stabilize U.S. merchant operations, but will keep government in overseas shipping for many years. Some 2,300 surplus ships are available.

Besides U.S. bidders, inquiries for surplus ships already have come from Britain, Russia, France, Norway, Italy, Greece, and five South American nations.

Act gives priority to U.S. operators.

► LABOR DEPARTMENT will reconstruct its cost-of-living index, to give better representation to new products, new consumer habits, new distribution methods.

Present index, organized in 1900, has been revised periodically and now presents a patchwork formula.

Industries and statistical societies will be consulted on the revision, scheduled for completion by December '47. Meanwhile prevailing price series will be continued.

► WASHINGTON BRIEFS: Congress will not ratify proposal for U.S. military guarantees in Palestine....OPA estimates 1946 demand for cotton fabrics at 12,000,-000,000 yards, against a prospective U.S. supply of 9,000,000,000....Maritime Commission offers 1,200 outboard motors (50 hp) at \$300 each....Every other farm in the U.S. is now served by central-station electricity, against 12 per cent in 1935....Shoe trade anticipates a new record production this year, following relaxation of last wartime production controls....Builders' hardware, plumbing equipment and copper wiring are now subject to export license....Army soon will release its medical findings on atomic explosions....OPA has lifted price controls on dynamite.



Many more than you're likely to guess. For today's mass production—whether it's pies or pipes you make—calls for literally hundreds of busy fingers "in the pie."

In any business, a myriad of instructions must be given and received—purchasing—inspection—receiving—receipts—material control—disbursement—these and many other orders must be acted upon to determine what kind, when and how many products go to the market. This is the routine so vital to business—the routine that depends upon forms.

Use your own business for an example. Do you have too many or too few forms? Could several

be combined into one? What about costs, and could they be lowered? These are questions Uarco can answer and save you money while seeing that routine operations give you complete, accurate control over work from planning to final selling.

Designing more efficient forms for individual businesses is Uarco's job. Call an experienced Uarco representative today—no matter what business you're in, he'll gladly study your particular problems without cost and suggest methods of improving your present forms and routine system. Or write for additional information. **UARCO INCORPORATED**, Chicago, Cleveland, Oakland. *Offices in All Principal Cities.*



TRENDS



OF NATION'S BUSINESS

The State of the Nation

FOR THE NATION, as for the private business and for the individual, principles are important. Taken together they provide the code, explicit or implicit, which governs action.

The operation of this code, expressed in standards and ideals, forms character in the case of the individual; it forms policy in the case of institutions and nations. Adherence to principle encourages some actions, discourages others; has saved many a man from succumbing to temptation; has made many a business respected as well as profitable.

Nations, by and large, are amoral institutions, the more so because in their relations with one another there has heretofore been no effective legal restraint on national sovereignty. History shows that national governments have customarily developed to maintain order, to establish individual and class prerogative, to extend empire, to exercise power rather than to promote principles. Thus it happens that national policies are frequently opportunistic, directed to narrow or temporary advantage rather than to any moral end.

The Government of our own country was, in origin, exceptional. It was unusual because based on a clear fundamental principle and even more unusual because this principle—that government derives "just powers from the consent of the governed"—was at the time politically extraordinary. In harmony with this basic principle, as laid down in the Declaration of Independence, the Constitution established a government responsive to the popular will, yet firmly restrained by overriding law. Throughout the years these

restraints have been greatly lessened by interpretation while the processes of government have been made more responsive to the popular will—of course, regardless of the intelligence or the morality of the latter.

Every government, even an absolute dictatorship like that of Russia, is to some extent reflective of the will and therefore the morality of the people on whom it rests and from whom it obtains support. But the government of the United States, with free expression of opinion and frequent scheduled elections, is particularly responsive and therefore unusually reflective of public morality. Since Americans, generally, are a moral people it is natural that at least a moral flavor is always imparted by the Administration to the actions of our Government.

A generally moral people, exercising a large degree of democratic control over their government, is a combination which has made the United States particularly prone to the expression of lofty ideals in its relations with other sovereignties, and therefore particularly objectionable when our precept and our practice have been clearly at variance. It is, unfortunately, difficult for Americans to believe that others sometimes find our foreign policy highly offensive. When it is hypocritical the Administration in power naturally does not advertise the fact. And, on the assumption that "politics stops at the water's edge," there is always a tendency for the opposition, in Congress or in the press, to moderate its criticism in the field of international relations. "My country right or wrong" is a pervasive if not an exemplary sentiment. In consequence, it



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is the more important that our relations with other powers should be keyed to principles, and that the Administration should continuously make clear to the American people what those principles are. It is not enough for a President to say plaintively, as did Mr. Truman in his Army Day speech in Chicago on April 6, that: "We must have a policy." In addition we must have unmistakably clear expression of the underlying principles without which policy—foreign or domestic—is merely opportunism.

Intervention that Backfired

The fiasco of our intervention in the recent Argentine election well illustrates the difficulties which arise to plague governments when principle is cast aside. Under the energetic leadership of Spruille Braden, an assistant secretary of state, the Administration set out to discredit Col. Juan Perón and to secure his defeat as a presidential candidate in Argentina. The unfortunate upshot, as any shrewd politician could have foretold, was the election of Perón by a handsome majority. The even less pleasing long-range consequence is the serious discrediting of the whole carefully designed "Good Neighbor" policy.

This deplorable outcome results from the scrapping of our historic policy of non-intervention, based on the sound principle of "Do as you would be done by," without substituting for it any other principle of equal ethical cogency. And it was certainly ironical to see the present Administration, which occasionally claims affinity with the ideas of Thomas Jefferson, so completely neglectful of the latter's assertion that:

We surely cannot deny to any nation that right whereon our own government is founded, that every one may govern itself according to whatever form it pleases, and change those forms at its own will . . .

To recall the fact that our foreign policy was for decades based on isolationist principles is not to argue that it should or could have remained so. Conditions change, and with changing conditions there must be changes of policy on the part of all human institutions, nations included.

But while policies change, the underpinning of principle which alone gives them more than casual significance must be maintained. Otherwise, so-called policy becomes merely a shifting kaleidoscope of opportunism, bringing confusion, and all too likely frustration and exhaustion also, to the nation as a whole. To be specific: modification of the doctrine of non-intervention must be in the direction of orderly collective action, and not in the direction of individual interference by a single government, no matter how powerful. Otherwise we shall find ourselves substituting imperialism, not internationalism, for isolationism.

Our ill-judged interference in the recent Argentine election is a matter of historical importance

because, without the support or cooperation of even the other American republics, we intervened on our own initiative in the domestic affairs of another government, incidentally one which is a fellow-member of the United Nations. While sharply criticizing Russian pressure on Iran, we followed essentially the same unilateral course in Argentina. This procedure was the less admirable because of simultaneous lip service paid to the very principles, as embodied in the Charter of the United Nations, which we ignored.

Action unrelated to principle always produces confusion, if not worse, in the affairs of nations as in those of men. The point has been illustrated by a recent blunder in our foreign policy because here partisan feeling was not involved. But the underlying truth is the same for every domestic issue. If solution of the issue is attempted from the standpoint of principle, the chances favor a successful outcome. If solution is sought through some device of political expediency, such as an endorsement of sharp wage increases with the assumption of an undisturbed price structure, only confusion can ensue. Moreover, such confusion will quickly become embittered by sharp and unhelpful recriminations.

Principle is of First Importance

It is easy to denounce the Administration when it chooses expediency, rather than principle, as the basis of policy. And such denunciation, when clearly justified, is a part of that eternal vigilance which has been rightly called the price of liberty. Little reflection, however, is required to realize that in a democracy, criticism of this sort should be subjective as well as objective; it should be directed at one's own party and at oneself as well at those who are in office through the endorsement, or toleration, of a majority of the electorate.

If the importance of principle were more clear in our own minds; if we were individually more willing to sacrifice profit, prestige or power for what we know to be the honorable course—our Government would in time, automatically, reflect that popular attitude. Instead, most of us continuously compromise principle with expediency, and then self-righteously condemn our political leadership because it also tends to follow what seems the easiest way.

The candidates for our first postwar congressional elections are now being selected and are already voicing the arguments from which they will lay claim to be our representatives. What are we doing, individually, to make sure that we shall be represented, regardless of party label, by men of principle?

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The U. S. and World Affairs

ONE SORELly needed type of reconversion, now that the shooting war is over, is reconversion to truth. It is about time that officials on all levels break through the habits of wartime secrecy and make-believe. They should begin to take the American people more honestly into their confidence on the state of disunion in world affairs. The same applies to commentators, editors and other architects of public opinion. They might ease off on morale-building double-talk and retool for peacetime candor.

Until the Axis was cracked, there was some color of excuse for white and gray lies and an occasional black fib. Political writers and speakers felt it to be their patriotic duty to gloss over unpleasant facts in the name of national and interallied unity. It became almost compulsory to pretend that Marshal Stalin was a democrat and his police-state a kind of democracy; that all Latin Americans except wicked Argentineans loved their big northern uncle; that any country which happened to be on our side of the fight was by definition peace-loving and freedom-loving, never mind its record on freedom and aggression.

But no good purpose is served by sticking indefinitely to propagandist fictions carried over from the war period. On the contrary, they make the going vastly harder. There can be no hope of cutting through the jungle of confusions unless we are equipped with sharp machetes of truth. Everyone repeats that our most urgent need in foreign affairs is for clear, clean and specific policies. But obviously we cannot have these until we face the facts of international life without blinking. And our statesmen, just as obviously, cannot carry out those policies effectively without the support of an enlightened, clear-headed public opinion, which again calls for plain speaking. It is hard, indeed, to think up one truly plausible reason why our opinion makers in government, on the air and in the press should continue to pretend that red is white.

The Two Worlds

The major and all-embracing pretense that needs to be punctured—the pretense that sums up most of the other half-truths and whole lies—is that the nations of this globe have been welded into One World. The only way in which that wartime fable can be sustained is by closing our eyes, ears and minds to clamoring facts.

It is quite true, as the pollyannas of politics



keep telling us, that the marvels of modern communications, transport and long-range weapons have turned the globe into a single neighborhood. But that hardly guarantees a pacific world. Most wars, it happens, have been fought precisely by close neighbors, as is attested amply by Franco-

German, Russo-Polish, Russo-Japanese and Balkan history. A world containing a multitude of countries in a crazy-quilt pattern, after all, had more chance of localizing squabbles than a world reduced to two great blocs.

And two great blocs is just what we are getting. Even chronic optimists can no longer conceal the fact that our planet is being split ever more clearly into two alien and perhaps irreconcilable worlds. On one side is the Western or democratic or Anglo-American world—the label is not important—and on the other the totalitarian world of Soviet Russia and its array of satellites.

Because this duality is too grim in its implications for squeamish and sentimental democrats, they try to cover it up with one-world rhetoric and slogans. But it shows through. It is implicit in speeches like Winston Churchill's during his recent American visit. It is explicit in the speeches of Stalin and his brethren, who do not hesitate to stress that the world consists of two opposing parts: the sector of Soviet domination and its "capitalist encirclement."

In Europe the Two Worlds are divided by an iron curtain. The contrast between life, thought, social organization east and west of this barrier becomes more startling with every passing week. Given enough time—and Moscow is obtaining it by its genius for procrastination and inflexibility—what remains of Western culture and democratic instinct on the Soviet side of the curtain will be erased or driven deep underground.

True, there are differences among Britain, France, the U.S.A. and other Western countries. But these seem trivial, in the final analysis, as against the differences that separate them all from the Soviet-held areas. The curtain does not simply mark off contrasting political systems and economic programs. It is a rigid boundary between two moral spheres, two philosophies of life.

In Asia the Two Worlds are locked in a gigantic struggle for the body and the soul of China. Compromises and concessions of the kind obtained by General Marshall may provide an occasional truce. But the struggle will go on; every truce will be used to maneuver forces into position for the

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next instalment of trouble. Whether the Soviet dictatorship operates with its own troops or through Chinese Communists is a matter of tactics that does not affect the fundamental strategy and objectives. Little Korea, cut in half by another iron curtain, is a tortured symbol of the duality that is less apparent in Asia than in Europe, but no less real.

Local Contests for Control

The to-do about Iran was chiefly significant as a trial of strength between the Two Worlds for dominance in the Near and Middle East. India has ceased to be merely a colonial question; the real problem is whether it can be kept in the democratic alignment or shall fall under direct or indirect Soviet influence. The excitement over Spain amounts to a contest for control of the Western Mediterranean, just as the Dardanelles impasse is part of the contest for control of the Eastern Mediterranean. The difficulties in making a formal peace with Italy and with former Axis satellites are all aspects of one fundamental issue: the power struggle between the Two Worlds.

Last Fall in London when Commissar Molotov stood alone against the other four ministers of the Big Five Nations, the duality was unmistakable. It was in the open again at the first meeting of the Security Council in the same city. Voting was on a strictly two-world basis.

"The main lesson of the proceedings was embittered disunity," said the English weekly *New Statesman and Nation*. Nearly everyone everywhere tried to put encouraging interpretations on the meeting, but the second Council gathering, in New York, confirmed the most pessimistic verdicts. The disunity was perhaps less bitter outwardly; the proceedings were more orderly and keyed to politeness. But the cleavage was even deeper and the voting again on the two-bloc basis.

By focusing on specific problems which can be tabled or "solved" with face-saving formulas or indefinitely postponed, the truth of a sharply divided world may be blurred. It does not call for a profound student of international politics, however, to realize that there is no Iranian problem, no Spanish problem, no Greek or Manchurian problem. Each of these is a small segment of the overall fact: the existence of two systems of life bodied forth in two corresponding systems of power.

The one certainty, as we watch the trends, is that the contrast between the Two Worlds and the resultant frictions will be intensified. If a determination to ignore this certainty served to settle anything, it might be worth trying. But to date no tension has been eased anywhere by our vows of silence. Moreover, Russia has won out at nearly every point of contact and conflict precisely because it does recognize the split personality of our postwar world and acts accordingly.

The Kremlin's political strategy is not muddled

by self-delusion, nor is it handicapped by strife within its own sphere of authority. These are always the advantages enjoyed by totalitarian states. Yet the democratic world, too, is being pushed into a species of unity, slowly but inexorably, by the Soviet pressures on its flanks and the Fifth Column provocations internally.

The challenge to complacency sounded by Mr. Churchill alarmed a lot of Americans into loud lone-wolf protests. All the same, the non-Soviet part of the world is being polarized by a common sense of danger. Stalin is really doing a lot more to achieve the fraternal union of Britain, America and the democracies generally than the rhetoric of Mr. Churchill and the temper of Mr. Bevin combined.

Forcing Anglo-American Cooperation

"The world can have another 100 years of peace under the Pax Anglo-Americana.... If there were unity between America and Britain the word 'war' would be wiped out of our vocabulary."

This extreme formulation of the idea comes from a former British Foreign Secretary, Mr. Hore-Belisha, in the course of a press interview. Expressed that baldly it would be rejected by a majority of Americans. Yet we are edging ever closer to an admission of the idea, both in words and in acts. Mr. Joseph P. Kennedy came quite near it when he wrote recently that we must throw all possible support to the nations of Western Europe and "encourage them to form a regional organization within the United Nations organization."

Another American, the liberal historian Raymond Leslie Buell, came to much the same conclusion in the last article he wrote before his recent untimely death. Should Russia continue to block "a united and strong Europe," he wrote, "the remaining alternative would be to proceed to create a Western bloc to which Great Britain and America should adhere."

No less indicative have been statements by various "world government" advocates urging that organization be undertaken now, *without Russian participation if necessary*. Whatever the intentions, the effect of such organization would be to create a non-Russian (though not necessarily anti-Russian) bloc.

If and when the reconversion to candor and plain talk does take place, the towering truth of Two Worlds will be generally acknowledged. The effects will be wholesome. We will be closer to reality, and the world of tomorrow must be built on reality.

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AMERICA'S FIFTH FREEDOM IS FREE ENTERPRISE

Washington Scenes

THE MOOD of official Washington is optimistic—one might even say bullish.

At the White House, the tension has all but vanished. The President can sail away on the yacht *Williamsburg* for a week, and not feel apologetic about it. Record-breaking production, high employment, and the prospect that the Nation is "on the way to a balanced budget"—these have brought about a noticeable buoyancy of spirit in Washington, despite a widespread feeling throughout the country that things here are in a mess.

The optimism is best expressed in a perverse way by the President's jolly confidant, George E. Allen. A hard-working director of RFC these days, Allen shakes his head in imitation of the Administration's critics; then, in a voice of mock alarm, he exclaims:

"Throw 'em out! End the Truman depression!"

Confidence in the United States

President Truman is, of course, an optimist by nature, so that in his case the rosy outlook now represents a change only in degree. Habitues of the White House have seen the Chief Executive irritated and they have heard him grow profane, but they have yet to see him depressed. Like so many mid-Westerners, particularly those who grew up close to the soil, he has boundless confidence in the United States and in its people. This, together with his superb health, explains why he doesn't get panicky or take his troubles to bed with him.

"We will work out of it all right," he has a habit of saying when the going gets rough.

For all his optimism, though, Mr. Truman never dreamed that industry would be doing as well as it is doing at present. He admitted this frankly when he announced that revenue was flowing into the Treasury on an unlooked-for scale and that the Government was \$7,000,000,000 better off than had been anticipated in January.

"The main reason for the improved revenue outlook is that we are well on the highroad to full peacetime production," the President said. "There have been many headaches for the Administration; the readjustment pains of our economy have been acute—and they are not yet over. But when we look at the record of production and employment since V-J Day, we see that we have done better than we felt warranted in counting on a few months ago."



The two chief worries of Mr. Truman are inflation in the United States and food for the hungry of other lands.

In talking about inflation, he does not use language quite as terrifying as that of Chester Bowles. Nevertheless, he does have strong feelings in the matter. He once had a personal experience with runaway prices and he has never forgotten it.

It was when he came back from France after World War I and set up a haberdashery business in Kansas City with his old comrade-in-arms, Eddie Jacobson. The firm made money in 1919 and also in 1920. Then it went broke, and Mr. Truman was still paying off his debts when he went to the United States Senate 14 years later.

Grappling with Starvation

Apropos the problem of feeding the hungry millions of Europe and Asia, it has been said that the President was late in grappling with it. That may be so. It is a matter of record, though, that he and the members of his Cabinet gave the problem even more attention than they did the steel and motor strikes back in the winter months.

When it was suggested to Mr. Truman that he call on Herbert Hoover to help in the famine situation, he lost no time in doing so. He knew that Hoover was still the greatest of all experts on relief; that, as the saying went, he knew the location of every sack of flour in the world. The two men—the thirty-first President and the thirty-third President—appeared to get along very well. In talking to friends, Mr. Truman was heard to say that, in his opinion, Mr. Hoover was a good man who, in his White House days, just ran into a lot of hard luck. Politicians are great hands for talking about luck and the breaks. And in this connection, one is beginning to hear about "Truman luck." His poker-playing friends have always marveled at his good fortune in stud and draw, and now they remark that he seems to be holding a "hot hand" politically.

Not so long ago, Mr. Truman made the startling confession that he really liked the Presidency. It was startling because those who heard him say it had heard him talk otherwise in an earlier day. He refuses, for very good reasons, to say at this stage whether he will be a candidate for a full, four-year term in 1948. Among his associates, however, there appears to be no doubt that his hat will be in the ring.

Actually, there is very little political talk



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around the White House—at least, where you can hear it. One of Mr. Truman's aides said recently that the best politics was no politics, meaning that if the Administration did a good job it would not have to worry about the pay-off.

Just the same, there was undisguised satisfaction at the White House when the Republican National Committee, in electing a new chairman, turned to Representative Carroll Reece, of Tennessee.

In the eyes of Mr. Truman's lieutenants, the selection of Reece meant that the Republican Old Guard was firmly in the saddle. Rightly or wrongly, therefore, they concluded that the Republican most likely to be nominated for President two years hence is John Bricker, of Ohio. And Bricker, they believe, is one man that Mr. Truman can whip.

So much for the "ins."

A Campaign for Liberalism

Turning now to the "outs," we find that Republican National Chairman Reece has launched an interesting campaign. It is a campaign directed at what Stuart Chase has called "the tyranny of words," the tyrant in this case being the word "liberal."

It is a fact that the word, once a noble one, has been very much abused. Some of those who regard themselves as liberals recognize this, and are rather sheepish when they use it. They sometimes explain, for example, that they are not "totalitarian liberals"—that is, Russia-is-always-right liberals.

Others have stopped using the word altogether, and call themselves "progressives."

Despite all this, Chairman Reece recognizes that the word liberal has political value. Consequently, he has set out to appropriate it, rather than adopting the suggestion that the GOP come out and frankly admit that it is the conservative party. In speech after speech, Reece has been hammering away at the argument that the Democratic Party is mislabeled; that the Republican Party is, as he says, "truly the liberal party in the United States."

What is a liberal?

"Historically," says Reece, "a liberal was one who fought to curb the exercise of absolute power by kings or aristocracies. . . . Currently a true liberal is one who is willing to fight to protect the liberties of the citizens against actual or threatened infringements by government."

In order to carry through on his argument, it is necessary for Reece to attack the Southern Democrats who have been voting along with the Republicans; who have, in fact, been accused of entering into an informal alliance with them.

Reece says that the Democratic Party is made up of radicals—radicals of the right as well as of the left. The Southern Democrats, he says, stem

from the slave-holding oligarchy which "still maintains itself in power in a large section of the country" by denying the Negroes a vote. Reece can't afford to say so openly, but one of the worst blows that ever befell his party came when the late Mr. Roosevelt lured away the great bulk of the Negro vote in the North while still managing to keep the Southern whites in line.

The other radical element in the Democratic Party, according to Chairman Reece, is "composed of those who would sovietize this nation and vest control in the inner circle group consisting of those who would follow the Communist Party line, if indeed they do not carry membership cards in that party."

Where does that leave President Truman? The answer from Reece is that he is the product of another element in the Democratic Party—the big-city political machines.

The President, whose hide is pretty thick after 30 years in politics, is no longer worried about the charge that his political sponsor was the late Tom Pendergast. He proved that by going to Pendergast's funeral. Neither does he get upset by the Republican indictment that his first year in office was "a year of confusion."

Mr. Truman is not Worried

He frankly admits that he made mistakes and that there is merit in some of the criticism. Smilingly, he points out that his critics have a great advantage over him: they run the government by hindsight, while he has to do it by foresight.

He thinks that, all things considered, he has done a reasonably good job. Barring some unforeseen crisis, the President plans to leave Washington this month and journey to the Philippine Islands. He will travel by plane and warship, and is scheduled to be in Manila on July 4.

On that glorious day, which means so much to the United States, the Philippine Islands will become independent after being under the Stars and Stripes for nearly a half century. It will be an event of great historical importance, in which all Americans can take pride. In turning loose an area nearly as large as the British Isles, the United States will be demonstrating that its word is good and that the charge of "imperialism," when made against it, is without foundation.

Curiously, the United States is getting no credit from the Communists for this magnificent gesture. The reason is understandable. Liberation of the Philippines robs them of their "imperialism" cry; it also makes it more difficult for them to justify Russian imperialism.

EDWARD T. FOLLIARD



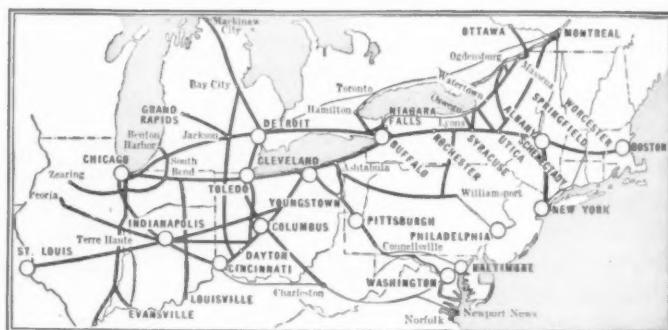
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The Water Level Route

The Month's Business Highlights

WEAKENING of OPA shifts to private enterprise an additional responsibility in the prevention of inflation. America's ability to produce during the war astounded the world. Output of civilian goods was climbing at a breathtaking rate when the coal strike began to slow it down. The phenomenal jump in the industrial index prior to the strike is proof of what the country can do in peacetime when there is no interference through labor troubles, or otherwise.

National output of goods and services is expected to be back at the war level before the end of the summer. It may not reach the peak rate of \$206,000,000,000 attained in the second quarter of 1945 but it will be within shooting distance of the 200 billion mark.

During the war the output of durable goods increased more than three and one-half times. Superimposed upon that outflow was a 75 per cent increase in non-durable goods.

Production Against Inflation

When it is considered that every point of that increase has added hundreds of millions of dollars to the total national output, it is apparent that private industry is in a position to go a long way toward meeting the inflation threat. What can be accomplished, however, depends upon the extent to which work stoppages interfere.

Congress has difficulty in acting in the over-all national interest because of the activities of pressure groups; because of local influences and because of the practice of log rolling. In most situations, however, the conferees usually eliminate the extreme provisions in bills and bring out more temperate legislation for final approval.

By and large, the public owes a great deal to the conference committees of the Senate and House. They quietly drop the excesses in which each legislative body occasionally indulges.

Many witnesses were very effective in pointing out the shortcomings of OPA. Administration of price control invited congressional hostility. Testimony before congressional committees, editorials in the press, polls of citizens and of business men and the outcry following House action gave abundant evidence that there is an impressive amount of support for price control. This would have had a greater influence on Congress had not its members been close enough to the operations to see fundamental weaknesses.

To start with, OPA and the Office of Stabiliza-



tion sat by complacently when wage increases were being brought forward. The organization would not have been so vulnerable had it taken as vigorous a position against wage increases and against Treasury policy as it did against changes in price ceilings.

Incidentally, the Treasury is orally emphatic that bank credit should not expand but it is less positive in doing something effective to prevent it. The debt management angle of the fiscal problem is not being handled adequately. Prevention of further growth of money supply through the sale of securities to banks is nearly as important as is expansion of production—it is the other side of the goods-money equation. This is the year of the mid-term elections. Political consideration may be influencing Treasury policy.

Another mistake which has handicapped OPA, particularly since V-J day, has been the lack of counsel from men who know production and distribution. Had the War Production Board been merged with OPA, the practical experience needed for the transition period would have been available.

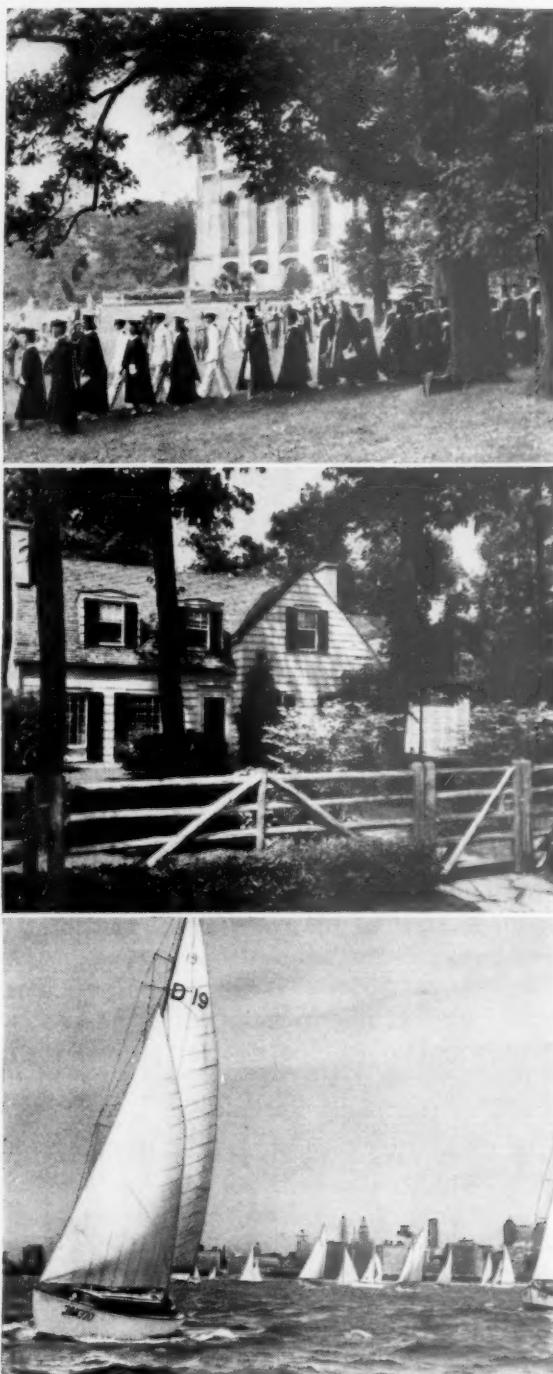
Then OPA would have kept constantly in mind that the need was production. Its policies would have been flexible enough to yield whenever the end justified. It would not have been unmindful that an objective of price control is to secure an equitable distribution of things that are scarce. That is imperative.

If the rich bid up prices beyond the reach of the poor, a part of the population is put in a let-them-eat-cake position. Since the majority of votes are in the lower brackets it would not be long before Congress would be clamping on more controls than ever.

Small Items Slow Down Business

Had WPB's production-minded people been fused with OPA they never would have allowed the soil pipe situation to develop. They would have known that soil pipe is an infinitesimal part of the cost of a house. They would have done whatever was necessary to insure pipe production in adequate volume. The price of logs would not be a big factor in the cost of a carton but because red tape held up the log output, carton production was far short of urgent requirements. Production men would have kept prices in balance just as officials in Agriculture try to keep control of corn and wheat, so that too much or

Why people enjoy living in Chicago and Northern Illinois



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Two major league baseball clubs, college and professional football, the colorful Golden Gloves boxing tournament, the famous Mackinac Yacht races, the International Livestock Show — these are some of the many important competitions centering here. There are winter sports — skating, skiing, tobogganing, hockey, ice boating, duck shooting. Then, too, this area is within a day's drive or a few hours by plane of the Wisconsin, Michigan and Canadian fishing and resort country.

The great diversification of opportunity in Chicago and Northern Illinois allows people to follow the kind of work they like . . . to live where and as they like . . . to play and relax as they like. This is why people enjoy living in Chicago and Northern Illinois.

TERRITORIAL INFORMATION DEPARTMENT

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TRENDS



OF NATION'S BUSINESS

too little is not marketed in the form of livestock. These are not views from the outside. They come from inside the Administration. The fight over the extension of the price control act brought these weaknesses into sharp relief. They are being remedied. What is left of price control will be handled more expertly in the future.

The warning of Clinton P. Anderson against "boom and bust" issued in connection with the figures showing the increase in farm real estate made a deep impression throughout the country. This is indicated by the avalanche of letters which overwhelmed senators and representatives. Farmers are concerned. Bankers are concerned. Business men in cities, towns and villages are concerned.

It is true that land price levels are still less than in 1920 but if the curve is extended a few months, that level will be reached and passed in most states. Comparable statistics are not available for urban real estate but it is known that the situation there is not greatly different.

The real estate situation is contributing materially to the rise in prices. Agricultural prices were expected to decline in the postwar period but instead have been in the front rank of the advance.

Business Curves Zigzagging

Business indices are full of motion these days. Curves go up sharply and then comes a strike and down they go. Textiles are making a particularly good showing. Non-durables as a whole, which slumped so badly immediately after the war, reversed their trend with the turn of the year and now are well above the 1941 line. By mid-summer they will be back at the war peak.

Textile output was badly underestimated. It will go far above the record set during the war. It is one industry that has a backlog of raw materials. Cotton and wool carry-over is large. Rayon staple fiber is behind demand but larger imports are expected and domestic capacity is being increased. Present output is bursting out of the top of the chart. Some silk is coming in. Apparel wool production will establish a new high this summer.

Rationing of shoes was stopped before supplies were in sight to meet the demand. By a narrow squeak that industry got by. Production has gained steadily and will be on high ground this summer.

Building contractors have a little encouragement in the way brick production is gathering momentum.

Machinery still is below 1941 but output is double 1939. The rise will continue this summer. In that industry, of course, the war peak is far above any level of production expected for many a day to come.

The stone clay and glass group has taken a big jump. Shortage of tin has boosted the de-

mand for glass containers. Automobiles require large amounts of glass, and 2,700,000 houses will require many window panes.

Automobile manufacturers did not build their industry on high prices. Realizing that fact, many members of Congress felt that the manufacturers could be relied upon to keep in line any of their dealers who might be inclined to take unfair advantage in the present situation.

Senators and representatives probably overrate the political influence of the automobile dealers but it was apparent that most of the legislators were anxious not to run counter to their wishes. The lawmakers had assurances from the manufacturers that no industry is more desirous of keeping prices down. It was pointed out that the industry suffered seriously from the premiums charged by dealers after the last war. As a result, the lawmakers had an alibi. Dealers would not be allowed to profiteer even if they were so disposed. Then, too, they had an indication in the announcement of cheaper models that the old policy still stands. Probably a better reason for supporting the amendment was the fact that there is no authorization in the price control law allowing OPA to alter the trade discount.

A Chance for Great Accomplishment

Whatever the opinion may be of the wisdom of legislation such as is contained in the full employment law, no one denies that the committee set up by the Act has an opportunity for real accomplishment.

Whether advantage is taken of that opportunity will depend upon the vision and the courage of the committee's membership.

An essential to full employment is economic stability. Cooperation among all interests is essential to that stability. This calls for high-minded leaders, and what is more important, for high-minded followers. No one wants to see the pursuit of happiness degenerate into a scramble by various groups for selfish objectives. That would not be to the ultimate advantage of any business or of any group.

Oil and gas are displacing coal as rapidly as equipment for their use can be provided. Any step that increases the price of coal makes it that much easier for the substitutes. Announcement of negotiations for the sale of the Big-Inch pipe line for the transportation of natural gas was not unnoticed by the operators and striking mine workers. Every time a ton of coal is displaced, one man-day of employment is lost.

PAUL WOOTON



Planned Protection

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that makes your interests our first consideration*

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Home Office, Stevens Point, Wisconsin

NATION'S BUSINESS for June, 1946



Can the World Pay Us Back?

By GUNTHER STEIN

REPAYMENT of our foreign loans must be in goods and services. Are we prepared to do what is necessary to make this possible?

To achieve a \$6,000,000,000 import goal the President would have to use his authority to reduce tariffs 50 per cent

THE BRITISH proposal for a loan of \$3,750,000,000 is the last of the current foreign credit applications to go before Congress for approval. The others, including France, \$1,250,000,000; Russia, \$1,000,000,000, and China, \$500,000,000, may be made without approval of Congress by the Export-Import Bank.

President Truman wants this Bank's lending power increased from \$3,500,000,000 to \$4,750,000,000. All foreign loans, through the Bank or by direct authority of Congress, require schedules for repayment. But the question still remains: How can the world pay us?

ALL THE world wants practically everything the United States produces. Our goods are needed to rehabilitate the economies of war-torn countries, to expand the productive capacities of backward regions and to raise the dangerously

low standards of living everywhere.

The United States wants to let the world have as large a volume of our industrial and farm products as possible, to foster world peace through general economic progress and to add to the steady employment of American industry and agriculture.

This desire seems strong enough for this country to contemplate letting the world borrow money to buy more goods and thus to prime the pump of world trade.

But this time America wants to make certain that export goods and foreign credits will be paid; and experience during the inter-war years has proved that, in the long run, the world can pay its obligations only in kind, either in goods or in services.

Therefore, if you want to estimate the size a healthy American export trade may attain and the volume of American foreign loans

that can be repaid, you must try to find out how much of the world's goods and services this country can reasonably be expected to absorb in the future.

What will we buy abroad?

LET us start with the facts on imports.

Optimists in government and business circles are talking of a goal of \$6,000,000,000 for the United States' annual imports. They expect it to be achieved when the national income, estimated at about \$145,000,000,000 for 1946, reaches the level of \$165,000,000,000. In other words, they foresee for that time imports two-and-a-half times as large as in 1939, when our national income was \$71,000,000,000.

An increasing national income and the growing industrial activity on which it is based must of course have a strong bearing on American imports of consumers' goods and of various industrial raw materials the United States does not produce at all or only in insufficient quantities. But it is doubtful whether national income and imports will continue to move as closely parallel as they have in the past.

The revolutionary changes the war has brought about in the technological, political and economic fields still defy correct appreciation, but they may well upset the accustomed prewar trends in the development of a number of the United States' main imports.

Take the recent technological advances, mainly in the synthetic

industries. The continued production of synthetic rubber will affect purchases of foreign crude rubber, this country's first-ranking import commodity. Progress in nylon and rayon manufacture will influence imports of raw silk which ranked fourth in 1939, of pig bristles and certain textiles. New developments in the chemical industries during the war mean unprecedented competition for a number of foreign chemicals and pharmaceuticals on which the United States used to depend to varying degrees.

These foreign commodities, by no means a complete list of the goods that will be affected by recent technological progress, accounted for about one-sixth of all American imports before the war.

Some imports less important

IN the long run they are bound to lose much of their prewar weight although nobody can tell how much and how soon they will shrink after acute wartime shortages have been replenished. For the process of improving the quality and reducing the cost of the synthetic products which have begun to replace those foreign goods is continuing with every prospect of further success.

On the other side, there are a number of vital raw materials which may have to be imported in larger volume than before the war.

Oil, lead, bauxite, lumber, pulpwood, pulp and some other materials of American origin have been used so lavishly in recent decades that it may become desirable, or indeed necessary, to supplement domestic production by considerably larger imports than in the past. But it is impossible to tell at present to what extent such purchases, which represented about one-twelfth of the United States' total import bill before the war, may swell it in the future. The Government has not yet laid down any policy on the conservation of domestic resources. And new developments like commercially competitive production of oil by way of coal liquefaction may enter the picture.

Further, there are those fifty odd "strategic" metals and other raw materials not produced in the United States—ranging from tin and antimony to cadmium, mica, graphite and industrial diamonds—of which stockpiling may have to be continued in time of peace. What role those imports are to play in the future will largely depend on the unpredictable course of international relations.

The degree to which world peace can be made secure will also influence the development of import trade in general, for it will determine whether over-all policies will aim at maximum American self-sufficiency or at comparatively far-

reaching integration of the American economy into the world economy.

These uncertainties due to technological and political factors are overlaid with uncertainties of an economic nature.

First among them is the future relationship between domestic and world price levels which will greatly affect American imports.

Yet nothing is so difficult to predict—in the present period of world-wide reconversion, of widespread currency chaos and political disturbances in colonial areas—as the trend of American and world market prices over the next few years.

Small changes affect our imports

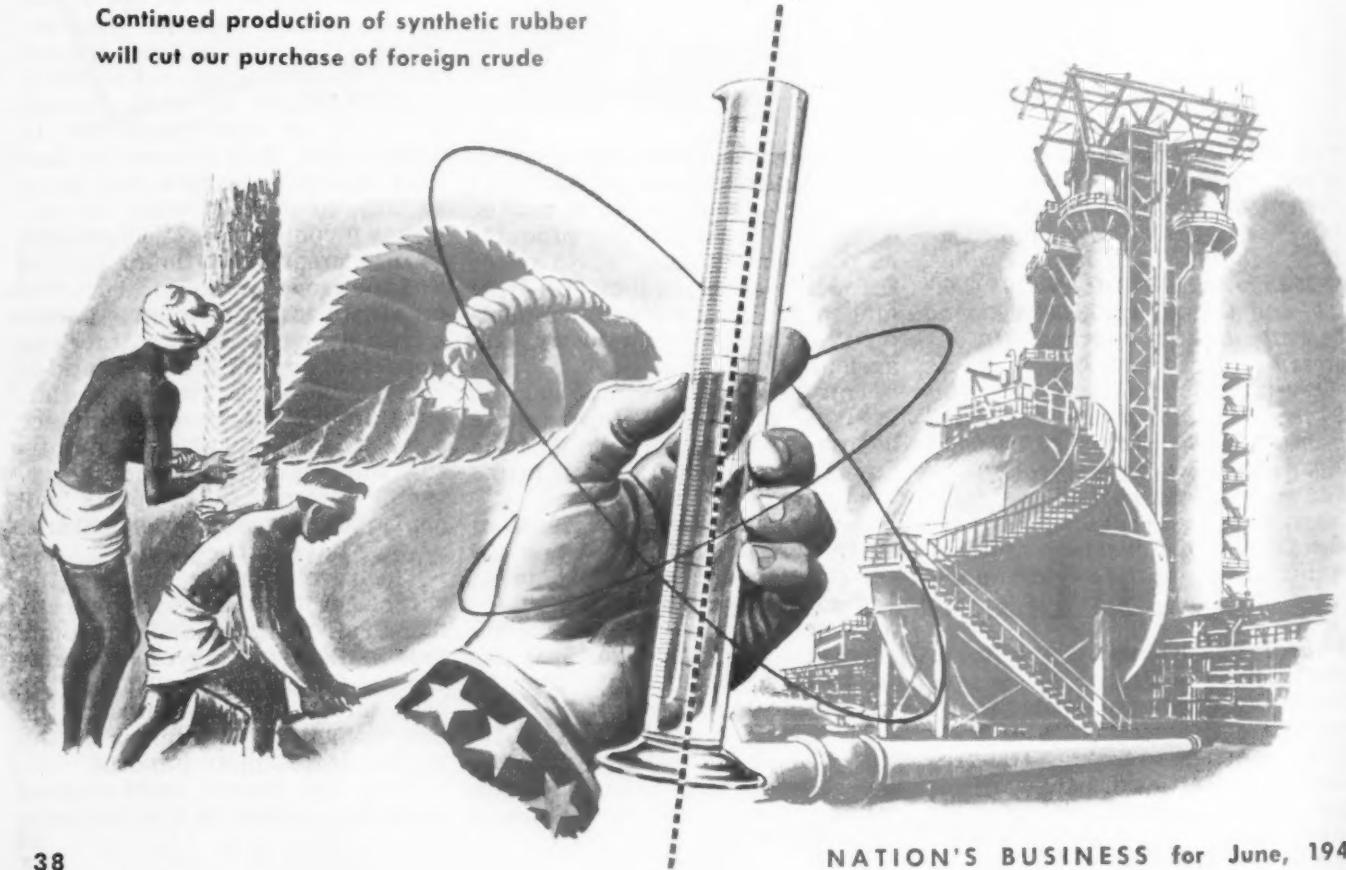
THE publication "Our 100 Leading Imports," prepared by the Foreign Commerce Department of the National Chamber, states the case clearly in reference to copper:

"The volume of imports for final consumption will be determined largely by differences in costs and other conditions of production in this country and in the principal foreign producing countries in which United States interests operate important copper properties."

To varying degrees, this will prove true of a good many other imports, especially in semimanu-

(Continued on page 92)

Continued production of synthetic rubber will cut our purchase of foreign crude





The birth rate reached a wartime peak in '43. Within a few years, our schools will be flooded



RALPH PATTERSON

Reading America's Palm

By VERGIL D. REED

FEW things are more firmly imbedded in our minds than our mental image of the typical American—which is to say our picture of ourselves. We are a young people. Most of us live in a growing city, or on a farm in a growing state. Most of us work in a factory or on a farm. We are of the melting pot, partaking of all the races and nationalities; likely as not, our parents were born in Europe. These are some generally held impressions.

But not one of these statements is true! The average age of Americans today is 30; it used to be 16—another way of saying we are rapidly getting to be a nation in which old folks predominate. Most of our cities are not growing and most of our states are losing population. Twice as many persons are employed in the service industries—trade, transportation, communications—as in factories or on farms. The prospects are that neither our factories nor our farms will ever again employ 25 per cent of our workers. And we are getting to be as American as corn on the cob or ham and eggs. Half the babies born in the United States in 1915 had one parent at least who was foreign born. Now nine out of

PEOPLE are moving. Changes are coming fast. So far we have longer lives, brighter prospects, a baby boom. Our past reveals trends that will influence our future

ten babies have two American-born parents. There has been almost no immigration for 15 years and most of the foreign-born are now past the child-bearing age.

If some of our most familiar notions about ourselves are so badly wrong, perhaps we had better re-examine the entire picture—take a close look at these interesting people in this America of ours. Their influence upon the future of a troubled but hopeful world will be vast and so will their responsibilities, we are always being told. What are these people really like?

Well, one of the best ways to learn about ourselves is through the census figures. They tell us a great deal more than the mere size of New York and Walla Walla. Carefully studied, they reveal themselves to be packed with drama—the drama of changing



America. For America can be seen changing before our eyes, if we will but forget our preconceptions and take a fresh look.

To begin with, our country isn't going to keep on growing as it used to. By 1980 we probably shall have

reached our peak population, not far above 150,000,000. Then the population will remain stationary, or show a slight decline. This is quite natural in a maturing industrial nation and does not mean that our standard of living need decline at all.

But while the population is growing more slowly than in past decades, the number of families is increasing faster than ever—at about twice the rate of population increase, in fact. In the ten years between the last two censuses, the population increased only 7.2 per cent, but the number of families

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increased 16.6 per cent. That meant, of course, that the size of the average family was decreasing (from 4.1 persons to 3.8 persons). This increase in the number of families is more important to many industries than the increase in population, for the sale of refrigerators, kitchen ranges, automobiles and many other things depends upon the number of families rather than the number of individuals. It is the increase in the number of families that intensifies our present headache, the housing shortage.

Younger folks get married

WE start founding families a little earlier than we used to. The average age of the bridegroom in 1940 was 24.3 years; in 1890, it was 26.1. The 1940 bride was 21.6 years old; her grandmother married at 22. The war years, for which statistics are not yet available, un-

doubtedly brought the age of first marriage even lower.

The average age of mothers at the birth of the first child is 23.7 years. Out of every hundred babies born during two of the war years (1942-3), about 39 were first babies, 26 were second babies, and four were the eighth or over. Normally, a smaller proportion would be first babies.

While we are at it, we might as well dispose of another fallacy—that more boy babies are born during wars. Studies going back through several wars in many countries disprove this widespread belief.

Our birth rate, taking the long view, is declining; it fell from 25 births per thousand persons of population in 1915 to a low of 16.6 in 1933. But there is a great wave, or hump, on this long-term downward curve. The birth rate rose to 17.6 in 1940 and to 21.5 in 1943. That was its wartime peak, and the decline has started again. The baby boom which began in 1941 will be over in 1947. When these babies reach child-bearing age, their babies will cause another, but smaller, wave, and it, too, will slide down the declining trend. Each generation, that wave will recur on smaller scale until it finally disappears.

In 1947 the babies born in 1941 will begin to flood our schools. We

will find ourselves short of school-rooms and teachers. Schools will be built frantically. That seven-year wave will later on pass through each grade, through elementary and high schools and into the colleges. Far more of our young people are going through high school and college than in the past, aside from the war wave. This will merely add to the troubles of school officials.

After the seven-year wave passes, many school boards and superintendents will be surprised at the sudden drop in enrollments—and the vacant space they have. Manufacturers and retailers of baby and children's goods will be in for similar surprises, unless they know the nature of this "bonus" in their markets which will not be there again for a generation. The baby boom will have passed.

The women live longer

SPEAKING of babies, there are 106 boys born for every hundred girls. And this approximate figure prevails the world over. By the time they have grown up, however, more boys than girls have died and their numbers are about equal. Males continue to die off faster than females all through life, in peace as well as in war. So the ladies finally prevail by a considerable margin.

There will be no shortage of husbands, except among the elders. When Miss America reaches her 20th birthday, her chances of marrying within the year are 15.5 out of 100, and her normal chances of ever marrying are 92 out of 100. Eleven out of every 12 persons reaching the age of 15 will eventually marry.

America is aging. The proportion of the young in our population is decreasing, that of the old increasing rapidly. Almost a fourth of our people are over 45 already; 36 out of every 100 of us will be, when 1980 rolls around. Between 1930 and 1940 those over 65 increased about 35 per cent. There will be three times as many people over 65 years of age in 1980 as there were in 1930.

From birth rates to taxes this increasing proportion of elders will influence our future. People are living longer. The old do not bear children. This cuts the birth rate further and decreases the proportion of the young. There will be more old people to be supported by fewer young ones. This will raise taxes to provide old age pensions, Social Security benefits, institutions and medical care. For better or for worse, there will be enough

(Continued on page 90)



Our number of families is increasing at twice the rate of population rise. Which means we have smaller families



Company picnics help officers and other employees to get acquainted with each other and families

WM. SYLVESTER

LABOR RELATIONS
should not overlook the wife. What she thinks of her husband's job and of the firm he works for makes a vast difference

Who's Got Momma's Ear?

By WHITING WILLIAMS

"BUT I thought you said your husband works there," the salesman remonstrated when the woman shopping for her man vehemently refused to consider a suit bearing a certain company's label.

"Yes, he does," she replied. "But all his bosses have been riding him and all the other employees, saying that the Company will lose all its business unless they stop turning in such careless work as they've been doing lately!"

Every merchandiser has long been convinced that the woman, especially the housewife, is the real decision-maker in the buying of nearly three-quarters of all consumer goods.

Nevertheless, most employers have shown little appreciation of the influence continuously exercised on their married worker's feelings towards his job and his

company, for better or for worse, by his better half.

Unions court women's favor

THIS is all the more surprising now that so many of the younger—and larger—unions have for several years been taking their every member's helpmeet extremely seriously. To be sure, more than a few labor leaders will tell you, off the record, that their women members are generally a pain in the neck—"hard to sign up, harder to handle and hardest to hold." The reason for this goes deep down into the complex motivations that keep our modern industrial society going. As discussed in NATION'S BUSINESS of November, 1945, our male worker takes his daily work seriously as "the most important source of his self-justification and self-respect—the most reliable and

accurate of all conceivable yardsticks for demonstrating his personal distance from that dreadful zero of the useless nonentity." But while his wife's social standing similarly depends mainly on husband's occupation, her unmarried sister is much more likely to consider her paid job not so much as a career in itself as an aid to her enjoyment of the "honorable estate" of matrimony. "Believe me," so replied the young lady clerk in a department store to the proposal that she join a class on salesmanship, "my future don't lie on no panty-counter!"

Naturally enough, these differences of objective do not keep the labor leader from giving a lot of attention to "selling" friend wife on the importance of her partner's union membership and especially of his keeping up his union dues.

"A good meeting," so reports a

labor paper's local correspondent, "but bum attendance! Is this because the wife won't let you out for a union meeting? Do you tell her what's going on in our local and educate her in Unionism—on how it's as important to her who runs the home as it is to him who brings in the pay-check?"

Besides setting up various "auxiliaries" for all sorts of propaganda and related activities, some of the more aggressive locals almost welcome a strike as a chance to furnish the wives with the thrill of passing out hot soup and hamburgers to the shivering pickets; or, perhaps, for giving a few Amazons a chance to put more venom into the booing and shaming of strike-breakers than most men find easy. Besides helping to win the argument, such participation is especially favored by all radical and Communistic leaders as the best imaginable kind of "education"—certain to build more zealous partisanship in the Labor Movement as an embattled "Cause" than any amount of placid instruction.

"Instead," so a Red organizer in Glasgow once explained to me, "of trying to school our local proletarians and their wives in revolutionary principles, we persuade them to march in any kind of harmless-looking protest parade. As soon as they get to liking this, we'll give them a chance to demonstrate for more serious purposes!"—"If we wanted," so another "Red Fascist" stated the same sinister strategy, "to teach people to shoot policemen, we'd have them practise not on policemen but on targets. After we make the Working Class conscious of its power, we'll then tell it where to aim!"

Families under threat

BY the same token, a few union "hotheads" have learned that the best way to intimidate non-strikers and non-conformers is to threaten their wives and families. So the "brickbat ballot" is often cast where it will do the most good and also make reprisal hardest—through the non-conformist's home window-panes. However, more subtle methods are usually employed.

"If, as you say," queried the

judge in a certain strike-ridden town in Indiana, "no act of violence occurred and no abusive language was employed, how then can you claim that your wife's life was threatened?"

"Because," replied the husband, "every day for an hour, a quartet of strikers sang to her from the sidewalk the hymn called 'Nearer My God To Thee!'"

It's a truism that most wives dislike strikes. Only recently an exasperated spouse of a striker

April, his "No-work-without-a-contract" edict.

Time was, not so long ago, when every leader's fear was that the wife might try to end a long strike by pressuring husband to start a back-to-work movement. During the recent strike-wave, however, such movements were not in evidence. An important reason for this is the recent great increase in the number of Closed Shop or Union Shop contracts which make the daily job's continuance depend upon the continuance of "good standing" in the union. Oddly enough, the wife has played an important though indirect part in the recent spread of this tie-up of the monthly union dues with the weekly pay-check. This is not because she likes that tie-up.

Closed shops

INSTEAD, it is because she has long been famous for regularly asking her bread-winner why he continued to hand over to his union the dollars she could use so well in her household budget. If he protested that these payments had brought enough wage-increases to be a good investment to date, he was likely to get her "Mebbe so. But that's for dues already paid—a dead horse. Why not drop out for a year or so until

chances get better for further increases?" Accordingly, many a leader figured that to hold such "in-and-outers" he must endlessly demand further and further gains—or else obtain respite by securing the Closed Shop with dues Check-off.

Strong as is friend wife's hankering for the revival of the family's income, it is not strong enough to persuade her man to cross the picket-line or even to speak up in favor of peace when this may cost his "good standing" and thereby his job and his entire means of livelihood.

Most foremen, of course, count on the feminine power behind the domestic throne as everlastingly in favor of a continuous pay-check. Especially when a good craftsman is to be deterred from an over-hasty decision, she is apt to be called in as the final court for hearing an appeal to reason. More than a few supervisors can tell how, for instance, "One of my men



Women are often hard to handle and frequently see no future in their jobs

vented her feelings by driving her car directly through one of the picket-huts erected outside a Southern Ohio steel-plant. So it isn't strange that workers sometimes go to great lengths to keep their mates even from learning of their walkout.

Several foremen in an Eastern factory who phoned to ask their departmental strikers in for a parley were amazed to learn from the wives that they had daily packed their men's lunch-baskets and, believe it or not, had heard nothing of the trouble! (Two days later, the men were back!)

Also, inasmuch as strikers generally expect immediate victory, their "short vacation" is sometimes hailed with delight at home—as in a Pennsylvania city where the housekeepers exclaimed "Our striking men-folks can now give us a few days' help with our Spring house-cleaning!" Without doubt, this domestic viewpoint helps John Lewis to enforce, during so many

who was lately refused a raise, quit on the spot—only to come in next morning to tell me he'd rather eat humble pie than risk his wife's making good her tearful threat of an immediate divorce."

But, all the same, her yen for a regular pay-check does not keep her from pressuring pretty regularly for a *bigger* one. She may or may not always be highly efficient in her capacity as chancellor of the household exchequer—and when she isn't, the repercussions are sure to be felt at the plant. But always she is quite certain to function as a notable expert on the cost of living.

"My wife tells me," so every married member of the Negotiating Committee is likely to inform the manager, "that the same dollar which used to bring home an armful of groceries now gets her only a single paper sackful!"

High wages make high prices

IN actuality, of course, the price of food is only one of numerous factors in the whole equation of living costs. But it is a tribute to the mistress of the budget that, in the mind of most husbands, this one factor is by far the most important and impressive. It must be said, however, that this, her brass-tack emphasis upon the cost of eating as the most obvious part of the cost of living, has figured largely in the recent failure of certain labor leaders to convince their members that hourly rates could be raised without any effect on production costs and selling prices. Such a claim goes too much against the grain of her long observation that upped wages are always accompanied in at least some degree by upped living prices.

If Secretary Wallace had first consulted a few workers' wives he would have saved himself the embarrassment of later withdrawing the statement that wage-rates could easily be raised by 24 per cent without requiring any price adjustment whatever!

It would be a mistake, however, to assume that the housewife's job as domestic budgeteer-in-chief makes her an unfailing prodder for increased diligence. Without doubt, she must carry considerable responsibility for the abnormal absenteeism shown by many husbands during the recent war boom. For when her man's big "take-home" was combined with slight opportunity to turn it into household gadgets or anything more immediately expendable or attractive than War Bonds, her usual pres-

sure for maximum family income was notably relaxed—with serious results in industry's productivity. Most serious of all are the results when hard times put husband off the job and so give her a chance really to go to town as chief family budgeteer. These results are apt to be seen in the shape of a profound shift in the household's psychological set-up. The reason is that "Authority in the home always follows the pay-check in the pocket."

Pay determines family head

DURING the Long Depression this truth caused more than a few husbands to confess defeat by suicide—especially when the same tight labor market that denied a job to husband furnished one, at a lower wage rate, to wife. It will be interesting to observe whether this particular transfer of family headship following the shift of the pay check will occur when all women enjoy "equal pay for equal work."

Also whether our now enlarged unemployment insurance and other forms of "social security" make the wife the dispenser of this income and therefore boss of the American home to the same extent that became noticeable during the longer periods of unemployment in Great Britain.

Important as is the housewife's job as family treasurer under normal conditions, she must also be credited as a powerful prodder not

alone of her man's continuous earning power, but also of his social ambition. Always when I have circulated among hobos and bums, it was noticeable that a great many of them took pains to explain "Thank God, I ain't got no wife or kids!" Chances appeared considerable that if they had been so blessed, they would not have been moving in such lowly circles. On the contrary, among more stationary and more domesticated wage-earners, it was easy to observe the push exerted by the better-half for persuading husband to do his damnedest to keep up with the local Joneses—or, if at all possible, to pass them.

"When," related a coal-mine super, "one of our bright young men marries one of our outstanding girls, I know that shortly they'll be in my office begging for a better home than either has lived in before. And if I can't arrange it, I have to start steeling myself against losing a valuable young miner who heads out to seek his fortune elsewhere."

Efforts to prove ability

IN many mine towns, lacking better houses and other methods for demonstrating the higher status won through higher earning power, I have heard more than one wife brag of her husband—and advertise his craftsmanship as superior to that of his neighbors—because he took more days off than

(Continued on page 110)



Wives dislike strikes. Sometimes they take it into their own hands to break one up

"I See A



Two well-pleased Democrats, Sen.
Sam Jackson and President Truman

IT IS quite possible that the coming congressional election—the campaign for which is already under way—may hinge on international rather than domestic policies.

Home economics will, of course, be a part of the assaults and defenses, but these questions have such a non-partisan base, that such forays are bound to be regional—both geographical and factional—and therefore not likely to become a determining element.

On this hypothesis, the Democratic party has the right to claim that it has been right in its policies, a claim the Republicans, who provided most of the opposition to our broad entry in world affairs, cannot controvert. Our party gave the leadership the country required and effected the accomplishment of global influence greater than at any time in its history. Ours would have been the blame had the war been lost, or bungled. Foresight and management gave us the victory, hence the validity of our title to the credit.

Time, and the aftermath of the war, have brought new problems

AS the New Deal publicity head, Mr. Michelson was poison ivy to the GOP. He tells here what the Democrats' strategy will be in the coming election, and why he feels his party will win again



Harold Ickes, center, expresses his views to Senator Guffey and CIO President Murray at the '44 Convention

from those faced on the platform and performances that brought us to control of the Government in 1932. Then the Liberalism that took us out of the great depression

was damned by the opposition as an approach to Sovietism or Socialism. Since then France and England have gone so far to the left that the Roosevelt policies ap-

Democratic Victory"

By CHARLES MICHELSON

pear mild in comparison. We have never yet been able to obtain from our opponents a clear declaration of their assay of those policies. I recall when the question was put to one presumable aspirant for a Republican presidential nomination.

"Which," was asked of the statesman, "of the New Deal enactments would you repeal if you had the power?"

The eminent GOP spokesman pounded the table as he replied, "All of them that are against the public interest."

And no Republican leader has been any more specific, and no Republican platform has contained a more definite response.

So, I think, we may be sure that when my party's declaration is formulated, there will be in it no retrogression from the Roosevelt policies. On the contrary we may

anticipate a logical sequel to SEC, Social Security, labor relations, farm and bank insurance, etc., in the form of some of the recommendations President Truman has made to Congress.

On the foreign front much depends on the progress made or hindered in the United Nations decisions. As they appear as this is written, our country stands as a balance wheel between the Soviet Government and Great Britain, with their conflicting desires.

Dilemma in foreign policy

IF WE clamp down on the Russian demands, President Truman will be denounced by our political foes as a war monger, as was Roosevelt, and will be charged with making our Republic a tail to England's kite. If he takes the opposite

course, he will be accused of timorous appeasement and a desertion from the principles on which we fought the war, and naturally, these accusations would be the basis of a charge that the Democrats were incapable of handling international business. This, however, constitutes a conundrum that may have solved itself before it becomes a political asset or liability. If not, it will be just another campaign complication, for no party ever came to an election with everything in its favor.

The inevitable disturbances coming with the end of the war undoubtedly constitute a danger to the existing administration. Unhappy people are prone to ascribe their discomfort to the party in power. So there is a tendency to blame the regime of President Truman for the strikes, shortages,



The Democrats do not expect to retreat from the policies which such leaders as Byrnes, Connally, George and Barkley helped put into law

black markets, threat of inflation, high taxes, and the other sources of unease. The circumstance that the same troubles would have eventuated, regardless of who or what power was in authority, offers a logical argument. Whether we can bring that argument into the consciousness of the voters is one of our big problems.

No party ever remained in power for 14 years without treading on the toes of a lot of people. This is particularly true of the Roosevelt administration, with the recoil from old-time economic habits and theories. So there must be taken into account the stored-up resentment of men disappointed as to places in the Government and others whose opportunities to make huge profits—had it not been for price control, for example—were vetoed.

Against this, we balance the circumstance that the Democratic party can point to an immensely healthier business situation than it inherited, for the scars of the

tive as well as a political genius who was able to keep in accord all elements of his party. But that dominating leadership had in its make-up questionable political potentials. Perhaps some average citizens were weary of the strain of such a dazzling personality, and—the war emergency being over—welcomed the advent of a calm, practical President, thoroughly aware of his responsibilities, but unbewildered by them and qualified for his new duties by his experience as an outstanding senator and as vice president and therefore in the chair of authority over the body in which he had been an effective member.

Invective is political strategy

NATURALLY the opposition party is not going to endorse this estimate of President Truman. Hence the contemporary barrage of invective, sneer and jibe. To break down the prestige of the occupant of the White House is a political

and representatives of that party to go along with the Administration's policies, is a talking point for Republican editors and orators. That, however, is more a legislative difficulty than a political one.

The conservative southerners, like all the rest of the national legislature, have their minds set on the election next November. A number might even like a repudiation of President Truman—but of greater immediate concern is the retention of the committee chairmanships, the speakership and the other advantages and distinctions that appertain to a majority membership. While the men from Dixie are sure of their own re-election, that will avail them nothing toward the retention of their seniority privileges and positions if there are enough losses of districts in the rest of the country to produce Republican control.

Consequently whatever there is of disruption, indicated by anti-administration acts of Congress, can hardly be a factor in the coming election. However, there is no question but that a continuation of the present congressional situation would complicate the Democratic conundrum two years from now. The Republicans may ignore the Presidential factor this year, relying on time to help them dispose of their own internal difficulties involved in the conflict between the old Isolationist group and the Progressive Stassen philosophy, but the Democrats are compelled to keep the 1948 situation in mind.

Prelude to 1948 battle

IN other words, while there is some justification for the Republicans to estimate the coming election as a decisive battle, my party, in my opinion, must view it simply as a prelude for the big show.

Of course, innumerable things may happen in the interim that radically would affect the whole political picture. During the coming two years, for example, industrial affairs may straighten out; the era of strikes may have passed, and the country may be on the highroad to prosperity which would mitigate—if it did not nullify—the normal discomfort inseparable from after-war events. The international spectacle may likewise change—for better or for worse. Whatever direction this takes might definitely affect the prospects of continued Democratic control.

The controversial matters that
(Continued on page 108)



In '46 as in '44, Chairman Hannegan, left, will turn to Ed Kelly of Chicago and Ed Flynn of New York for help in the big city campaigns

giant collapse, that marked the switch in government in 1932, are still vivid in the minds of capital, labor and the professional world. The average American citizen today has money in the bank—and without the peril of the bank closing up on him. He has so much money, in fact, that the big effort of any administration must be to head off inflation in such volume as to presage an ultimate dire collapse.

True, we had in seven elections the advantage of an administra-

strategy as old as our history as a Republic. Sometimes it has succeeded—as when such a bombardment brought a Republican House majority during the second term of Woodrow Wilson and paved the way for Warren G. Harding and his immediate successors. Sometimes it has failed, as typified by the repeated re-elections of Franklin D. Roosevelt.

The division in the Democratic ranks, indicated by the failure of a considerable group of senators

Labor Union up in the Air

By C. C. CAMPBELL



1 On his arrival at LaGuardia Airport, Capt. Robert E. Dawson checks with the area chief dispatcher on general details for his flight—New York to Chicago

"WHAT we need," David L. Behncke kept telling other airline pilots over their airport lunchroom coffee, "is to organize."

He said it softly, but he said it often. Wherever Behncke landed and found others whose job was to fly mail and passengers over America's young and still somewhat uncertain air routes, he said it again.

He raised questions in the minds of the young romanticists whose deepest satisfaction was found in the steady beat of open-stacked engines, whose greatest thrill arose from coming through on time and polishing off the trip with a feather-light landing.

"It's the greatest life in the world," he agreed. "That's why I'm in it. But what comes next? How long do you think you can last in this flying business, particularly now that the Government is setting physical standards? How much dough are you saving? Where do we go from here?"

Behncke was an old hand, and his questions prompted thinking. He was a product of the Army Air Corps, he had done his share of barnstorming,



PHOTOS BY RUDY ARNOLD

2 Captain Dawson checks the latest meteorological maps for weather conditions and prepares his own forecast for the flight. A pilot has final authority to cancel the trip



3 The radio operator, who will be hearing Dawson's voice as he checks in during his flight, must record in abbreviated code every word received

he had flown the mail in the open biplane days—and nights, and he was among the early starters along the scheduled air routes. Besides, he was 34.

"Okay, Dave," the pilots told him. "We'll go along. You take care of things, but let's keep it quiet."

This was the beginning of a secret organization of the nation's fledgling airline pilots. Six months later an accident brought a membership card to the attention of an airline official. The secret was out. That was in the fall of 1931. Behncke has kept the Air Line



4 Flight plan, covering the altitude at which their DC-4 is to fly, estimated time of flight and fuel consumption, is worked out by Dawson and his co-pilot. The performance figures of previous flights shown on the board aid them in their calculations

fly in the Army, and eager to apply their training in civilian life. But these young men, association members point out quickly, are not airline pilots.

Just what is it that enables the man in command of the scheduled airliner on which you ride to command a salary of at least \$12,000 a year for flying an average of 85 hours a month?

He is a man of normal, but not necessarily perfect, health. He has a highly developed skill, and years



6 The cockpit check calls for the pilot and copilot to inspect the many instrument panels, switches and controls which crowd the control cabin of their Douglas DC-4 Mainliner



5 Captain Dawson assembles his crew at least 20 minutes before the scheduled departure time and gives them the details of the flight that will be of interest to the passengers



7 As senior pilot, Captain Dawson is at the controls for the take-off and the landing. However, once the plane is under way, he can leave the pilot's room to stretch his legs

Pilots Association constantly before the attention of officials of every airline in the U. S. ever since.

Today the association is perhaps the smallest national union in the country, but it is also the strongest for its size. Wage and hour proposals that might make John L. Lewis turn a bright green with envy are to association members only the normal extension of long-standing policies.

In their latest negotiations with the airlines they have asked for salary scales that would reach \$22,500 a year, and a flying week limited to an average of 18 hours. This would involve pay raises of more than \$100 a week in some cases, and a reduction in flying time of about nine per cent in all cases.

These proposals came at a time when airline officials had in their files applications for jobs from tens of thousands of young men trained to

of experience. He must meet periodically physical standards fixed by the Civil Aeronautics Authority and, in addition, he must pass monthly physical examinations set up by his company. He has a feeling that he might not be able to meet these standards of normal health very long after he passes his fiftieth birthday. And so he also has a feeling that he had better make hay while the sun shines.

In case you would like to follow in his vapor trails, here is the route:

American Airlines, which employs more pilots than

any other U. S. line, tells applicants they must be 23 to 32 years old. Those 25 to 30 have preference. Weight must be 140 to 200 pounds, and height five feet, seven inches to six feet, two.

Successful applicants must have 20-20 vision uncorrected, which simply means normal sight. Health must be normal generally and the applicant must be reserved, self-controlled, emotionally balanced and have a pleasing personality.



8 It takes only a twist of the wrist to engage the automatic pilot which flies the plane by itself, permitting the pilots to eat and relax from their routine duties

tion, aircraft and air traffic regulations. All of these items add up to higher education equal in cost to that in the usual professional lines, if an airline pilot aspirant were to purchase his training and experience.

Flight training in light aircraft costs an average of \$10 an hour in the areas of most large cities. Instruction in a plane equipped with instruments rarely is found at less than \$20 an hour. The minimum training for a commercial pilot in each type would be 20 hours. Airplane rental rates without instruction are lower, but aircraft equipped for both night and instrument flight—necessary to meet airline requirements—would cost at least \$12 an hour and this rate applied to the required 1,000 hours indicates an expenditure of \$12,000 to meet airline qualifications.

In addition the aspirant must qualify for the writ-



10 Captain Dawson has to check in by radio as every radio range station is reached. Called "PX-ing in," he gives his location, time, altitude and the weather aloft



9 Flying a big airliner gives him a hearty appetite, so Captain Dawson really goes for the piping hot, full course dinner that is served to him by the airline stewardess



11 The day's work done, Captain Dawson heads for the operations office to turn in his flight log

Flying qualifications include a Civil Aeronautics Authority commercial pilot's license with an instrument rating, and a Federal Communications Commission air-ground radio-telephone operator's license, plus 1,000 certified flying hours, including at least 350 at night and 100 while on instruments.

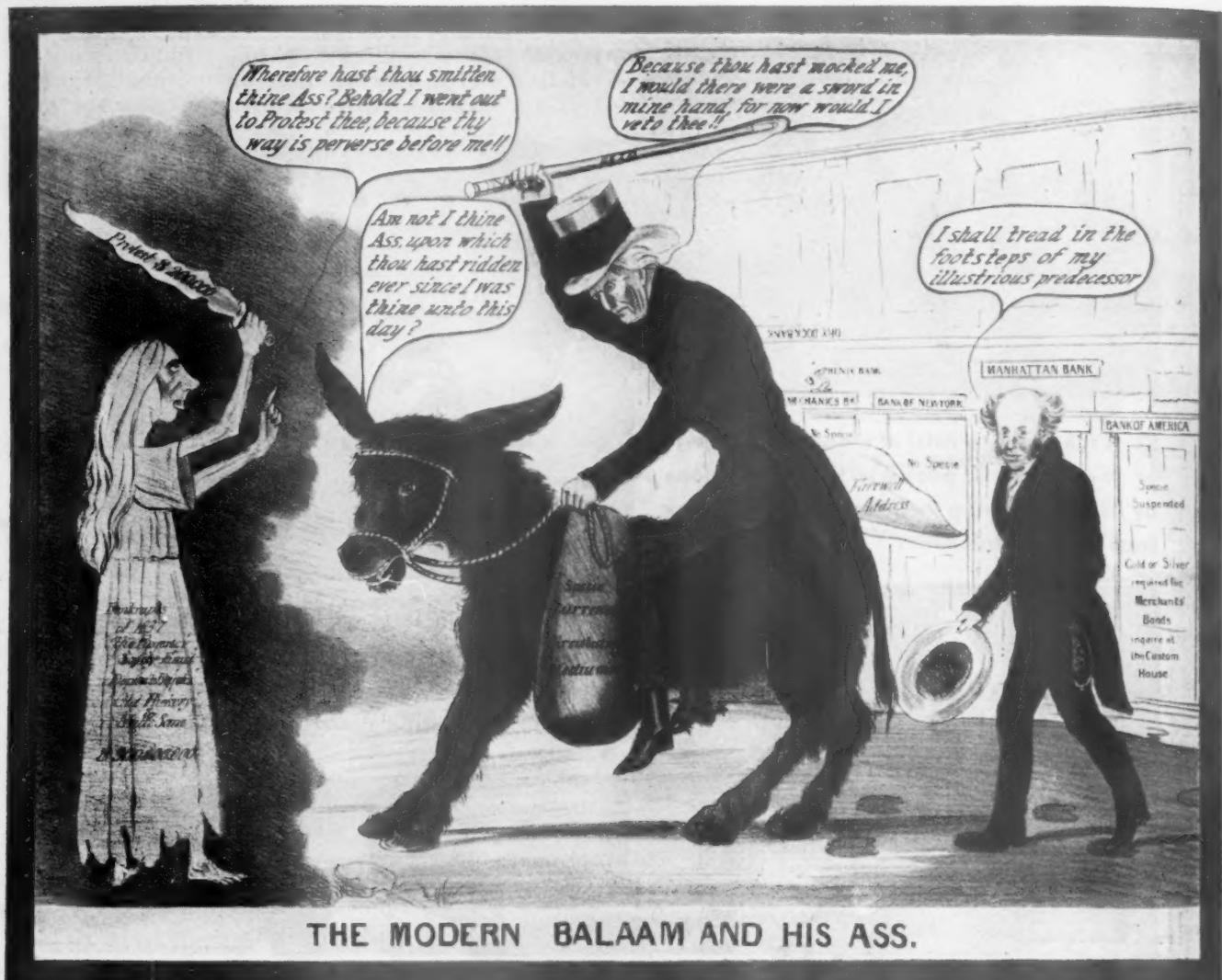
Flight examination for the commercial pilot's license includes demonstration of skill in various maneuvers, and the written examination covers meteorology, weather, aircraft engines, naviga-

ten examinations on both pilot's license and instrument rating by attending classes, or by digging the information out of books himself.

He might reduce his flight costs by buying an airplane. Excepting the possibility of a costly accident, his
(Continued on page 86)

Seven Who Ran When I

By LABERT ST. CLAIR



Martin Van Buren, Vice President under Andrew Jackson for one term, was one of the country's three Vice Presidents who were elected to the highest office in the land

LIBRARY OF CONGRESS

AS A NATIVE of Indiana, a state which probably has incubated more Vice Presidential candidates than any other in the Union, I rise to pay a deserved tribute to all of the Messrs. Throttlebottom.

In explanation of what to some may seem an odd quirk, let me say that Hoosiers run for Vice President for two reasons: First, they recognize the true value of the job. Second, the fellows from the Wabash know that as rural small staters they always stand a better chance of bringing home a shoulder of meat from a national con-

vention than they do of landing a ham.

Far too long have Vice Presidential aspirants been made the butt of insipid and hackneyed jokes by 3.2 percent comedians. Uninformed playwrights, five-a-day vaudevillians, no-cover-charge supper club entertainers, speaking acrobats, part-time columnists and free lance wisecrackers generally have belittled them. The public, which often laughs at jokes through long acquaintance rather than through real appreciation, has been an accessory to these

feeble witticisms. The basic idea behind these jibes is that the Vice Presidency is a ridiculous job and that any man who goes after it is exactly the kind of sap Victor Moore is made up to be.

The fact is the Vice Presidency is well worth having and the men who run for it know exactly what they are doing. It is the second-best political job our nation offers, costs little to obtain, permits the occupant to sit down practically all of his working hours, and permanently holds out a shining promise of delivering at any time

en It Counted

THE COUNTRY'S second-best political job costs little to get and, more often than you may realize, has proved to be the stepping stone to the biggest plum of all—the Presidency of the U. S.



BERRYMAN, WASHINGTON STAR

After election, the Vice President is usually asked little more than how his gavel is holding together

"Take it quietly UNCLE ABE and I will draw it closer than ever!"

"A few more stitches ANDY and the good old UNION will be mended!"



THE "RAIL SPLITTER" AT WORK REPAIRING THE UNION.

LIBRARY OF CONGRESS

Andrew Johnson succeeded to the Presidency on the death of Abraham Lincoln in 1865. Of our 32 Presidents, seven have become the Chief Executive through a Presidential demise

the greatest political plum in the world—the Presidency of the United States.

Between the Vice Presidency and the Presidency there is only one heart beat. A hundred common causes may remove a President from life at any time. Automatically, the obscure and ridiculed Vice President becomes President with its many honors and a pay increase of \$60,000 a year and free house rent. Where, at that point, rank the Throttlebottom jokes?

V.P.'s serve longer terms

VICE PRESIDENTS who succeed to the Presidency through Presidential deaths also usually serve far longer terms than do their predecessors. Of our 32 Presidents, seven have succeeded to the White House through Presidential demise. In these cases to date the succeeding Vice Presidents have served a total of about eight times as long in the

Vice President who succeeded him. That was Harding. William Henry Harrison served the shortest term, 31 days, and Harding the longest, 877 days.

Vice Presidents succeeding to the Presidency served from Fillmore, 967 days, to Theodore Roosevelt, 2,727 days. Lincoln and Franklin D. Roosevelt, of course, had longer years of Presidential service in different terms than their successors, but they both served fewer days in their final terms than their running mates.

There always is the chance, too, that having made good in the Vice Presidency, or as a Vice Presidential candidate, a politician will land first place in a regular election. John Adams, Thomas Jefferson, and Martin Van Buren were elected to the Presidency after having served as Vice President. It also is generally conceded that Franklin D. Roosevelt materially helped his Presidential nomina-

stration leaders were almost ready to attempt to retire Wilson and install Marshall when their nerve went back on them.

One attraction which particularly appeals to politicians about succeeding to the Presidency through the Vice Presidency is the freedom of action that goes with the change. Usually, the Vice Presidency carries very few, if any, commitments. Most Vice Presidential candidates are investigated before nomination only to the point of whether they come from the right states geographically. After election, they are consulted, usually, on nothing more serious than if their gavels are holding together.

Also, they volunteer little. Except for Jack Garner, no Vice President in recent years ever has expressed an opinion on a major national issue. Garner, who was permitted to sit with Roosevelt's Cabinet, early denounced sit-down strikes and there and then was marked for extinction by Roosevelt. Garner's subsequent political fate worked like a Maxim silencer on his successors.

Showed great independence

MOST Vice Presidents upon entering the Presidency have kicked their predecessors' policies right out the window. The first Vice Presidents to gain the White House through Presidential deaths, Tyler, Fillmore, Johnson, Arthur and Theodore Roosevelt, showed great independence almost immediately upon assuming the Presidency. Not until Calvin Coolidge came along were the policies of a dead President left undisturbed. Thus far Truman has hewn fairly close to the New Deal line.

A hundred and five years ago on what now is known as "War Day," —April 6—John Tyler became the first Vice President to succeed his chief in the White House. The date was to prove fitting more than a century later. Tyler was at war with his party, the Whigs, almost from the moment he became President until his party dropped him at the expiration of his term, three years and 11 months later.

Tyler, a seemingly mild Virginian, had served as a Democrat in the state and national legislatures and made no particular mark. He had switched to the Whig party shortly before its convention which nominated William Henry Harrison. As a delegate to that convention, Tyler had voted for Harrison. Then the Whigs named Tyler from

(Continued on page 72)



Never have political bosses blundered so badly as they did in 1900 when they thought they were shelving Theodore Roosevelt

Presidency as had their Presidential running mates during their current terms.

Only one of the seven Presidents who have died in office served as much of his current term as did the

tion and election in 1932 by running for Vice President with Cox in 1920. Vice President Tom Marshall came close to being installed as Wilson's successor when the President's health failed. Admin-

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THE GREATEST single transaction reducing the nation's tremendous surplus property inventory was consummated by a government accountant who, unaided, disposed of \$46,000,000,000 of it.

He accomplished this by taking a long look at the estimates that had put a \$100,000,000,000 price tag on our share of the war's leftovers, and then coming up with the conclusion that this estimate just wasn't so.

He sharpened his pencil, did some figuring of his own and hung a new price tag on the surplus stockpile. This one says \$54,000,000,000.

A problem for years to come

EVEN with such help as this, the disposal program has in the past moved so slowly that Lieut. Gen. Edmund B. Gregory has commented that "At this rate the surplus property millstone will hang around our neck for years to come."

General Gregory was called upon to head the War Assets Administration when it took over the surplus disposal responsibilities formerly scattered among more than a dozen government departments

and agencies. His lament applied specifically to the reluctance with which the Army, Navy and other government agencies classify property remaining in their control as surplus—the first step in disposing of it.

Take Pea Patch Island, for instance, although it is not a typical example.

This isle, located in the Delaware River, has been fortified. A moat surrounds its stone breastworks. It was ceded to the federal Government by the State of Delaware during the stress of war—although it was the War of 1812—and classified as surplus this year.

Pea Patch Island is but a tiny drop in WAA's barrel. Among the other surplus WAA must sell or otherwise dispose of is consumer goods equal in dollar volume to the total sales of all U. S. department stores last year, machine tools equal to the production of all the country's machine tool makers in the 15 years before the war, and industrial plants and equipment equal to all the industrial facilities in the states of New York and Pennsylvania.

But look carefully at that vast offering before you go bargain



hunting. Impeding the prompt and orderly disposal of these surpluses is the fact that the consumer goods for the most part are very unlike those the department stores sold last year.

Many of the machine tools differ greatly from those industry generally orders in peacetime. Also the industrial plants and equipment were designed specifically to produce things for war and may not readily be convertible to production for peace.

The record of surpluses

HERE are some highlights of the disposal record that was made during the first two and a half years of sales:

Disposals, in terms of original cost to the Government, totaled less than \$4,000,000,000, including aircraft that cost \$1,600,000,000, which was classified as not salable and cut up for scrap.

Consumer goods sales were about \$750,000,000, a sixth of the expected inventory.

About a tenth of the \$5,000,000,000 stock of production materials and plant equipment had been sold.

A third of the 1540 industrial plants and sites acquired by the Government during the war had been declared surplus, and about half of these had been sold or leased.

Sales of overseas surpluses totaled about \$1,000,000,000, against an expected inventory of \$15,000,000,000.

Sales were returning between 40 and 45 cents on the cost dollar in this country, and about 30 cents on foreign sales with 40 per cent credit financing on the latter group.

The over-all inventory may be reduced by \$3,000,000,000 in shipyards, arsenals and standby plants to remain in government hands, and \$8,500,000,000 in aircraft classified as not salable.

This look at the record indicates a rate of sales that would project the surplus problem into the next generation. In his annual budget message President Truman estimated receipts from surplus sales during the fiscal year opening July 1 at \$1,000,000,000—a rate that would add still another generation.

But when General Gregory took over this spring he announced that things were going to be different. He had served the entire war as quartermaster general, and so has intimate knowledge of the extent

of the problem. His sales background includes work in a Farmington, Ill., store at 25 cents a day (his first job) and his educational background includes graduation with honors from Harvard's business school. His first impression was that his new job was to overcome a mountain of paper work.

"Endless truckloads of paper work are involved in this thing," he said. "To sell surplus fast with all this paper work is like trying to run through quicksand."

Whereupon he set out to dispose first of surplus paper work. He succeeded in reducing it in some instances to ten per cent of the older practices.

He also arranged for thousands of Army and other installations to dispose of small inventories or large numbers of small items under WAA supervision instead of turning these stocks over to WAA for disposal, decentralized operations to 33 regional offices, introduced

on-the-spot "site sales," and broke branch office bottle-necks by authorizing sales up to \$1,000,000 in some categories and \$100,000 in others without waiting for Washington approval. This limit had been \$25,000, and once stood at \$10,000.

After a careful study of the entire problem, made at the request of President Truman, Howard Bruce, chairman of the board of the Worthington Pump and Machinery Corp., set a disposal goal of \$19,000,000,000 for the last nine months of 1946, a goal considerably above WAA's own estimates.

This would require a sales total of \$5,000,000,000 during the second quarter, \$6,000,000,000 in the third, and \$8,000,000,000 in the fourth.

"The period during which the economy of the country can readily absorb the major portion of such gigantic surpluses is probably limited to ten to 12 months," Mr. Bruce advised the President. "After

(Continued on page 99)

The Army sold 15,000 surplus pigeons, then found it had 15,000 replacements



There's a great day ahead for

motorists!



But it won't come until new cars

and tires are plentiful...highways are repaired



and made safe through modern engineering...and until all

those whose driving experience was limited during the war

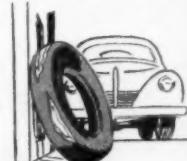
years renew their skill.

Right now, cars



average more than 8 years

of age, many with parts and tires



badly worn. The

older your car gets, the more cautiously you should drive. If

you aren't sure your car is safe, protect yourself and others

by *keeping it off the road!*



You can help reduce the traffic accident toll which has been rising steadily since the war's end. For a check list of vital parts you should have inspected regularly, and for driving suggestions on how you can help reduce traffic accidents, send for Metropolitan's pamphlet. Just ask for Booklet 66-P.

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TO EMPLOYERS: Your employees will benefit from understanding these important facts about motor safety. Metropolitan will gladly send you enlarged copies of this advertisement—suitable for use on your bulletin boards.

TO VETERANS—IF YOU HAVE NATIONAL SERVICE LIFE INSURANCE—KEEP IT!

New Leaders of the Chamber

WILLIAM K. JACKSON was elected president of the Chamber of Commerce of the United States at the Chamber's Annual Meeting in Atlantic City recently, succeeding Eric A. Johnston.

Mr. Jackson, whose home is in Boston, has been president of the Boston Chamber of Commerce this past year, and has also served four terms as vice president of the National Chamber. He is general counsel and director of the United Fruit Company with which he

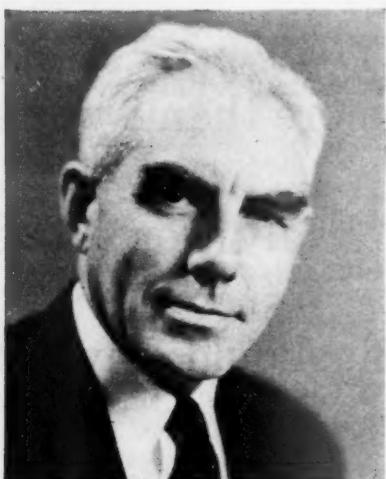


William K. Jackson

new directors: Clem D. Johnston of Roanoke, Va., representing the Third Election District; J. B. Converse of Mobile, Ala., from the Fourth Election District; and James W. Baker of Shreveport, La., representing the Seventh Election District.

Clem D. Johnston, a past director of the Chamber, representing Domestic Distribution, is president of the Roanoke Public Warehouse.

J. B. Converse, serving his third term as president of the



Earl O. Shreve

HERE are the new president of the National Chamber, the two new vice presidents and the three newly elected members of the Chamber's Board



Walter J. Braunschweiger



J. B. Converse



Clem D. Johnston



James W. Baker

has been affiliated since 1919, a member of the American Bar Association and the American Society of International Law.

Two new vice presidents of the Chamber were elected at the meeting: Earl O. Shreve of New York City, vice president of the General

Electric Co., and Walter J. Braunschweiger of Los Angeles, vice president of the Bank of America. Mr. Shreve has been on the Chamber's Board since 1943, and Mr. Braunschweiger since 1944.

Chosen by mail vote in advance of the annual meeting were three

Alabama State Chamber of Commerce, is president of J.B. Converse & Co., consulting engineers.

James W. Baker is president and treasurer of Baker-Lawhon & Ford, Inc., wholesale grocers, and president of the Louisiana Wholesale Grocers Association.



**"Sure, I've made
41,000,000 telephones"**

...but what else do I make?"

"I *do* make good telephones and I'm proud of every one of them.

"But your Bell Telephone would be completely silent without the *other* things I produce to go with it:

"Wire for instance . . . miles and miles and miles of it. Acres of reels of cable . . . thousands of intricate switchboards . . . delicate electronic apparatus to improve your long distance calls. And that's only the beginning . . .

"That's just my *manufacturing* function for the Bell System. (I've been at it since 1882.) I'm *purchaser* for the Bell telephone companies, too. I *distribute* equipment to them throughout the nation. I even *install* central office equipment.

"I've helped to make our nation's telephone service the best in the world and the most economical.

"My name? Remember it . . .

"It's Western Electric!"

MANUFACTURER... PURCHASER...
of 43,000 varieties of telephone apparatus.



DISTRIBUTOR...
of supplies of all kinds for telephone companies.



INSTALLER... FOR THE BELL SYSTEM
of telephone central office equipment.



Western Electric

Two Bids for World Leadership

By JUNIUS B. WOOD



Promises of high future production in the Soviet
hardly compare with actual figures in the USA

NO STREET corner polls are needed to prove that the world is war conscious. Before the sniping of World War II is ended or the peace treaties have been signed, the dire forebodings of a deadlier World War III are heard. Possibly when the hysteria subsides, when the boundary lines are drawn and nations can return to building for peace, the world will realize that wars are not as inevitable as measles and mumps for every growing generation.

The crystal gazers of typewriter and microphone are off in a merry panic. The more imaginative vision the war to end all wars with our globe blasted into a wandering comet. The finish is crystal clear but the prophets are not sure where this war will start. They ask:

"Must we fight Russia? Well then, must we and Britain fight Russia? All right, if not now, will we have war with Russia in 20 years?"

Though a few voices clamor for war, the answer must be "No!" to each question. The United States is

the only nation which came out of the last war with the resources and strength to continue or resume fighting on a global scale. Its unchanging policy for 150 years—again evidenced by almost frantic demobilization and reconversion—is against war.

Weakened at home and with unrest in the Commonwealth, Britain has neither the ambition nor the strength to get into another first class fight.

Russia faces the terrific task of restoring its war-ruined resources and raising the subsistence standard of living of its own people. What it has stripped from conquered countries and the residue from lend-lease will be only temporary. Its strength, 20 years from now, will depend on what it accomplishes at home and the possibilities are considerably less than the promises.

War's success has revived the Russian thirst for more territory, absorbing smaller nations in its expanding frontiers. Added to that is the Communist zeal, which the czars lacked, to overthrow govern-

RUSSIA'S promises and America's performance are here set forth side by side for appraisal. Which will the world accept?

ments and convert all nations to obedience to Mother Moscow. Russia is a bad neighbor and a trouble maker by remote control, more disturbing than dangerous when at a distance.

The two-horned revolutionary tactics which succeeded in Russia have expanded to the world stage. One is peaceful conquest by slogans, propaganda and organization with Moscow trained leaders to foment dissension and disorder in their own countries. When the coveted country is within marching distance, this can be dispensed with and the Red army takes over. By either method another totalitarian government is added to the Communist string with a secret police on OGPU model to dispose of any opposition. Nations may not go to war with the Soviet Union but they must fight its more insidious war of nerves.

To increase heavy industry

STALIN'S speech to the Supreme Soviet, the theoretical legislative body of the Soviet Union, terrified the timorous who picture the world as a helpless rabbit before a coiled Communist menace. He declared that while capitalist countries develop light industries to supply consumer goods and make a profit, the USSR would continue to increase heavy industry to strengthen the country militarily. He did promise to reduce prices, abolish rationing and raise the standard of living but did not say when.

He promised that, by 1960, the Soviet Union would "equal and surpass the United States in every line of production." I heard the same promise in Russia when the First Five Year Plan was launched in 1928. Like the rainbow's end, the happy goal is always beyond the horizon. Becoming nationalistic,

Here may be just the Manufacturing Opportunity you have been looking for!

— it will take you only 15 minutes to find out!

As a businessman, there's a booklet which you ought to be acquainted with—a report entitled *Industrial Opportunities in Puerto Rico, U.S.A.* It is published by a public corporation created to assist businessmen, the Puerto Rico Development Company. It describes a business opportunity that is unique today; it invites you to share in the industrial development of a territory of the United States, Puerto Rico, which now offers great promise for profitable enterprise!

A FEW OF THE HIGH SPOTS

Spend a few minutes with this booklet and you will learn how you, as a manufacturer, can have a plant building con-

structed for you without a penny's initial outlay on your part . . . built to your own individual plans—then leased to you for as little as 1% of its cost! With your main plant or a branch operating in Puerto Rico, you will be centrally located to serve the rich markets of North, Central, and South America. Puerto Rico's labor supply has never been fully utilized, yet its skills and qualifications are many and its wages are favorable. You will be close to important sources of raw materials, and your home market will be the island with the *largest per capita purchasing power in the whole Caribbean!*



IT'S A U. S. TERRITORY

You will be a United States concern, operating in a territory of the United States with no tariff barriers either way and lower insular taxes. Ample banking facilities will be at hand—both local bankers and branches of leading New York banks. You will be doing business under United States Federal law and with United States currency. It is an opportunity worthy of your most careful attention!

HERE'S WHERE YOU'LL FIND THE ANSWER ➤

You will find *Industrial Opportunities in Puerto Rico, U.S.A.*, a frank, straightforward analysis of the situation, designed not to 'sell' you but to help you decide whether yours is the right type of concern to profit from Puerto Rico's unique advantages. The coupon below will bring this booklet to you without cost or obligation of any kind.



PUERTO RICO DEVELOPMENT COMPANY

SAN JUAN 12

PUERTO RICO, U. S. A.

Puerto Rico Development Company
San Juan 12, Puerto Rico, U. S. A.

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Please send me your 48-page illustrated booklet, *Industrial Opportunities in Puerto Rico, U. S. A.*, which shows the unique advantages Puerto Rico offers to American manufacturers; its ample supply of labor; its accessibility to markets and materials; and its complete familiarity with the ways and manners of both Americas.

Name: _____

Address: _____

he glorified the heroes of Great Russia, even the "great wisdom" of Ivan the Terrible who wanted the Baltic coast in 1580, denounced the capitalist system as hobbling along by crises and catastrophes and accepted Trotzky's neglected policy of world revolution by emphasizing Russia's destiny to protect weaker people. Hitler, Mussolini and Japan had the same altruistic excuse for territorial expansion. He promised that, by 1960, Russia will be the largest, richest, most advanced and most powerful country in the world.

The speech outdid any of our home talent national convention keynoters. Cynics, none in Russia, could only chortle: "He must be talking about himself," when Stalin denounced his former partner, Hitler, with: "He established a terroristic regime, abolished the last vestige of bourgeois democratic liberties at home, trampled the sovereignty and freedom of small nations and declared to all that he strove for world domination and to spread a fascist regime over the globe."

Stalin disclosed the Russian production goals which are to "surpass the United States." To the uninitiated, Russian statistics are as tricky as the reverse English in which its party spellbinders interpret such ordinary words as "democracy, fascist, liberal, peace loving, aggression" and many others.

High percentage increases

RUSSIAN jugglers of figures prefer showing advances by percentages which indicate resounding increases for the Soviet Union and increases in slow motion for the United States.

Obviously, a baby which triples in weight to 18 pounds in a year has gained 200 per cent, but a 200-pound dowager who also adds 12 pounds, and doesn't like it, has gained only six per cent.

Also, while the Soviet Government has not compiled the figures for 1944, it can announce them for 1960.

Our less farsighted Bureau of Census can't do better than 1944.

The Stalin figures, chiefly in tons, are:

USSR	1913	1940	1960
Population	160,000,000	193,000,000	250,000,000
Steel	4,230,000	18,300,000	60,000,000
Pig Iron	4,220,000	15,000,000	50,000,000
Coal	29,000,000	166,000,000	500,000,000
Oil (bbls.)	63,000,000	217,000,000	420,000,000
Grain	21,600,000	38,000,000	
Cotton (bales)	2,800,000	10,800,000	18,000,000

Comparative figures, also chiefly in tons, for the United States, with

the final year being different, are:

USA	1913	1940	1944
Population	97,000,000	132,000,000	139,000,000
Steel	31,301,000	66,983,000	89,641,000
Pig Iron	30,966,000	46,072,000	61,007,000
Coal		512,256,000	683,701,000
Oil (bbls.)		1,353,200,000	1,677,800,000
Grain		116,308,000	142,347,000
Cotton (bales)		12,566,000	12,359,000

tributed on the basis of pounds of steel per capita, the comparison is more striking. It is:

USA	1913	1940	1944	USSR
	645.38	52.89		
	1,014.89	1,289.80	(1944)	189.84
			(1960)	480.00

Steel and grain may be taken as respective measuring sticks for industrial and food production. From 1913 to 1940, steel production increased 114 per cent in USA and 332 per cent in USSR. The actual increase was 35,682,000 tons in USA, and 14,070,000 in USSR.

Actual increase higher here

FROM 1940 to 1944, steel production increased 34 per cent in USA, and it may increase 228 per cent in USSR, in 20 years. The actual increase in USA averaged 4,532,000 tons a year compared to a planned

Comparisons in grain are not as complete. In Russia, corn, oats, wheat, barley, beans, rice, rye, buckwheat and millet are grouped as grain. In USSR, the 5.12 bushels per capita in 1913, increased to 8.37 in 1940. In USA, it was 37.48 bushels per capita in 1940, and 43.55 in 1944, in spite of war manpower shortages. Stalin did not prophesy grain supply in 1960.



Through UNRRA we are helping to feed the Balkans and Central Europe while the Red Army lives off the land

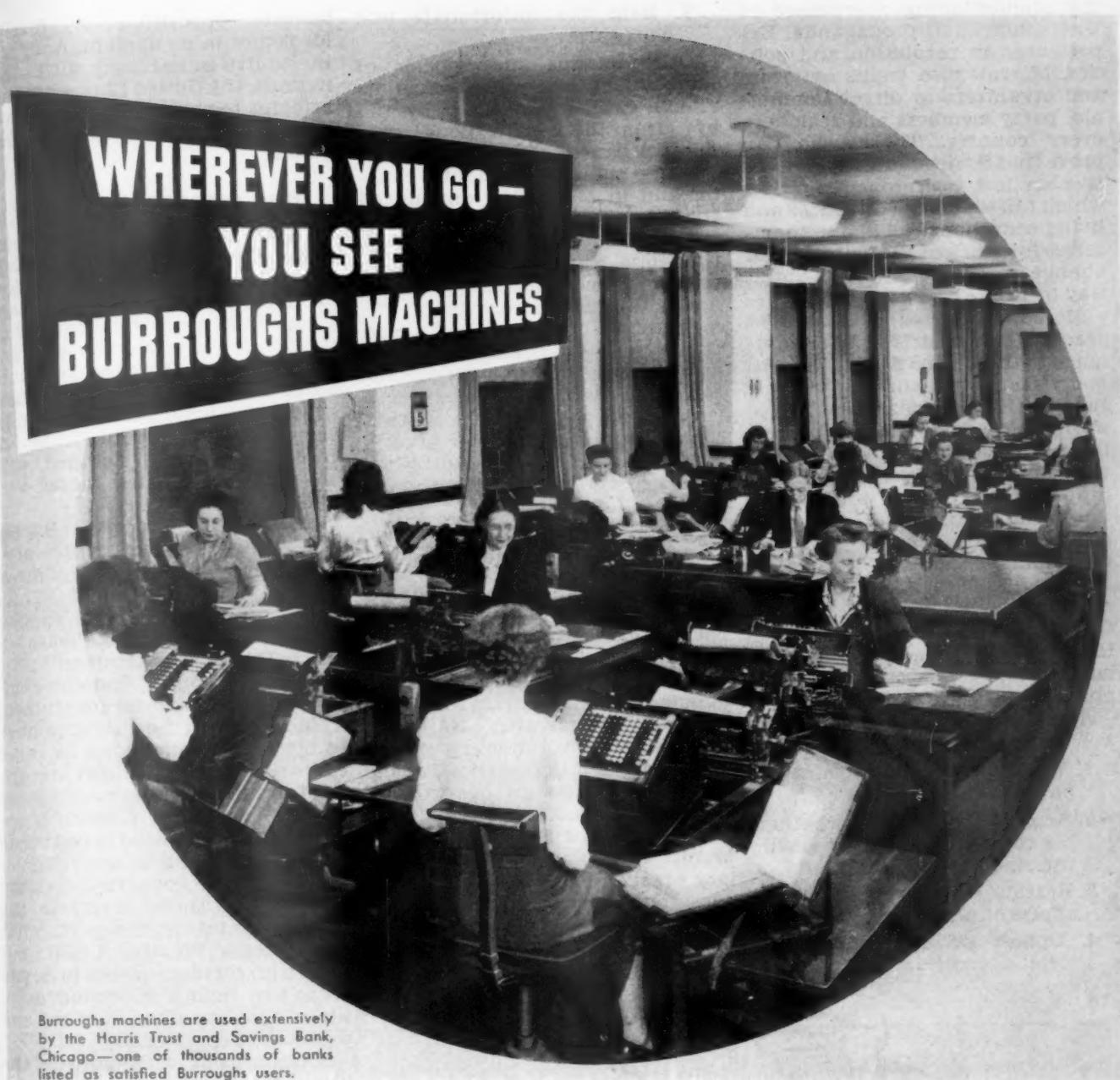
2,085,000 tons in USSR. However, because of war destruction, the latter figure has not started and cannot be reached for several years.

The same applies even more to coal. Even if the 1960 goal is achieved, USSR will produce less steel than USA did in 1940, and only two-thirds of what we produced per capita in 1913, almost half a century earlier.

When these totals are dis-

tributed by permitting them to see the production figures of other countries. In spite of police repression, imprisonment, exile, forced labor, purges and impassioned oratory, they might balk at the continued sacrifice of comforts and necessities to support the largest army in the world and to evangelize all people for Communism.

Moscow's peaceful conquest of other countries succeeds through



Burroughs machines are used extensively by the Harris Trust and Savings Bank, Chicago—one of thousands of banks listed as satisfied Burroughs users.

Burroughs

IN MACHINES
IN COUNSEL
IN SERVICE

For more than fifty years, Burroughs has worked in close, continuous association with business men everywhere in helping them solve their figuring and accounting problems. The experience gained through this long association explains, in part, Burroughs' recognized ability to analyze office procedures and requirements . . . to make practical, carefully-thought-out recommendations . . . to select, install and apply the machines and methods that provide maximum accuracy and efficiency at minimum expense. This experience, plus Burroughs' continuing program of new machine developments to meet ever-changing business needs, is an important reason why you see Burroughs machines wherever you go.

BURROUGHS ADDING MACHINE COMPANY • DETROIT 32, MICHIGAN

FIGURING, ACCOUNTING, STATISTICAL AND CASH REGISTERING MACHINES • NATIONWIDE MAINTENANCE SERVICE • MACHINE SUPPLIES

the unquestioning acceptance of such claims and propaganda. Experienced in revolution and politics, Moscow also trains agitators and organizers to direct Communist party members and zealots in every country. Those who can prove that Soviet claims are deceptive are less vociferous. Countries which fail to remedy injustices and living conditions can blame themselves for much of the agitation for change to the rosy tinted Soviet way of life.

Moscow's shrewd campaign of peaceful conquest is today's challenge to the United States. Though many may not realize the magnitude, it is a historical struggle for world leadership. The first assault is directed against nations which want to be friendly to the United States. This country will be the final citadel for attack when the others have fallen. So says the Communist decalogue.

We will not be beaten by the military might, material production or way of life of the Soviet Union. Nor do we need to join in its noisy propaganda war, coining phrases and calling names.

Actions will tell our story to the world:

1. Work in harmony with other nations.
2. Accord to every man, whether his country is large or small, the right to life and liberty.
3. Refrain from meddling in the affairs of other countries.
4. Oppose political and territorial aggression.

5. Help the unfortunate and backward.

Other claims and appeals of Moscow are as deceptive as its "You'll eat pie in the sky, by and by" (from the I. W. W. Song) production figures.

Stalin signed the Atlantic charter and in May, 1943, announced that the Komintern (Communist International) was abolished. At that time, Russia needed our help and was receiving it. The international organization never was more than a branch of the Russian Communist party. The Komintern was dissolved but its work was intensified. Party delegates, with revolutionary aliases, from other countries continued their studies in Moscow until they could return home to stir up trouble. Most of them are home by now.

Communists changed names

IN MANY countries the name Communist was dropped by the party organization, including the one in the United States. The new names were Liberation, Workers, Popular, Fatherland, Labor, Progressive, Democratic, National, Peoples or Revolutionary party, league or front. In Iran, it is Tudeh, meaning Masses, an overworked Communist class.

In the United States, the Communist party and its many auxiliary organizations work openly to carry out Moscow's directives. In some countries they are banned and work underground. Communism, on the other hand, does not

tolerate opposition or foreign ideologies in its domain. And, trying to live in harmony with other nations, the United States does not attempt to evangelize the Russian people or change their Government.

Free propaganda articles

WITHIN 24 hours of the Komintern's obsequies, messages from Moscow had started to a hundred or more trade union, foreign language and negro publications in the United States, Canada and Latin America. Moscow continued being international minded. These were additional to Communist newspapers and periodicals, already abundantly supplied with propaganda. The new cables were identical, reading:

"The Soviet Information Bureau is in position to send you free articles dealing with the war effort of the Soviet people and Trade Unions. We welcome your suggestions in regard to topics. Please advise if this offer is accepted."

"Sovinformburo," the cable address, is one of several government agencies which furnish free news to selected publications in other countries. These agencies are distinct from Tass (Telegraph Agency of the Soviet Union) which is the only agency permitted to distribute news from abroad in the USSR or in its satellite countries. Russian citizens can travel freely in the United States and report what they please to the USSR but American correspondents in Soviet areas are rigidly restricted as to where they go, what they see and what they report to us.

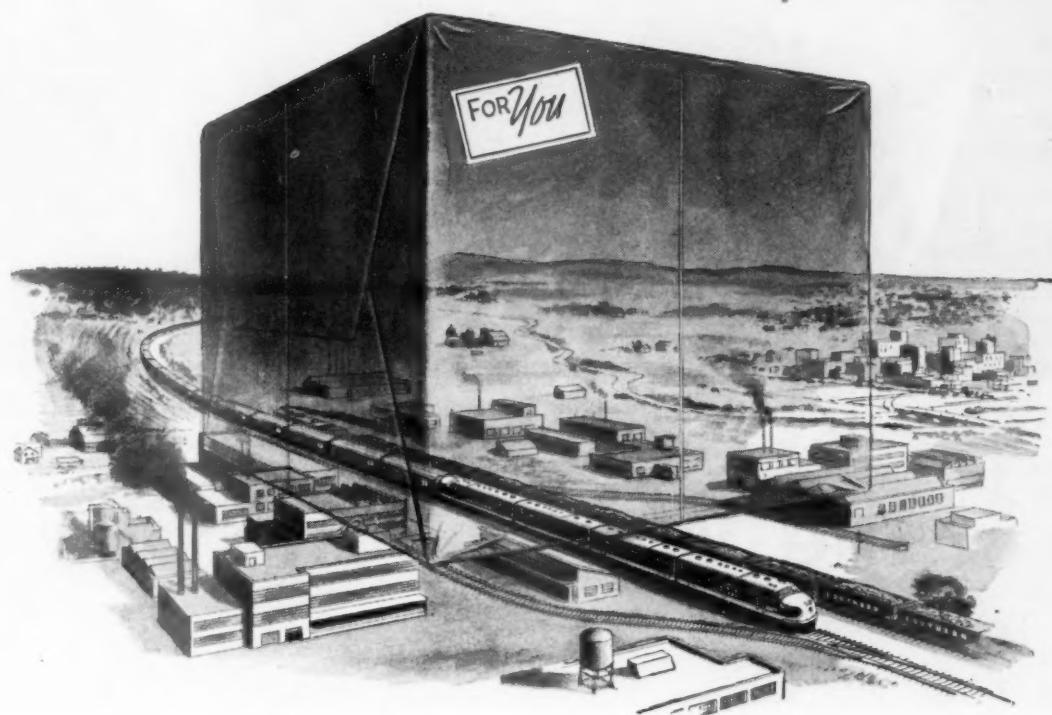
Simultaneous with putting the Komintern on ice, the most pretentious fraud ever concocted for a government also was put over under the patronage of big name Americans who customarily front for Soviet interests. It was a "Write to Russia" campaign by which letter-writing Americans would receive replies from Moscow-selected social equals in Russia, neither knowing the other's language. As there is no record that any letters were sent to Russia or replies received, the presumed purpose was to acquire a mailing list of Red sympathizers in the United States. At that time the Red army was more popular than a crooner in a bevy of bobby-soxers.

Though adopting the label, democracy, a Communist government is totalitarian. Authority comes from the top, not from the people. That may not be doctrinal Communism but it is the practice.

(Continued on page 96)



The Philippines are friendly to us because of our record.
We had no troops at the polls to insure a friendly election



Packed in the South...for you

This package is yours. But you'll have to call for it...in the South...because it can't be sent to you.

Is it worth calling for? You bet it is...if you're looking for a *better* location for your factory.

What's inside? Everything you need for the economical and profitable production and distribution of whatever your factory makes.

You'll find mild climate the year 'round...and reserves of skilled and unskilled workers adaptable to your needs...ample water and low-cost power and fuel...raw materials of all

kinds in abundance...and the dependable, efficient transportation service of the 8,000-mile Southern Railway System that "Serves the South."

Only in the South can you get all these industrial advantages in one package...plus large, fast-growing consumer markets.

Package? It's a veritable *treasure chest* packed with unlimited opportunity for your business or industry.

"Look Ahead—Look South!"

Ernest E. Morris
President

SOUTHERN RAILWAY SYSTEM

The Southern Serves the South





Dr. Kelchner and Ivan White of State Department with Treasury Secretary Vinson

Pie in the World Bank Sky

By HERBERT BRATTER

ON THE special train which carried from Washington to Savannah most of the delegates to the recent inaugural meeting of the governors of the World Bank and World Fund, secretariat officials handed out a list of those attending the meeting.

One foreign ambassador, on looking over the list, was quite disturbed to note that he was designated merely as "Delegation Official," whereas his counterpart from a neighboring republic was listed as "Governor of the Fund and the Bank."

The ambassador was from a part of the world where it is important that such an error be corrected promptly—and so it was.

The local and international kudos which comes from membership on the governing boards of the Bretton Woods Fund and Bank may be the chief compensation received by most individuals concerned. In some cases, however, the financial remuneration received is not unimportant.

At the Savannah meeting, salaries and expense money of the two new governmental institutions were fixed—and on a very ungovernmental scale.

Since these institutions have their headquarters in the United States, the precedents established

AUTHORIZED TO FIX their own pay, the governors of the new World Fund and World Bank set the level nice and high. This may have a far-reaching effect on the salary scale of other government officials

may have far-reaching effects here.

When Congress passed the Bretton Woods program, which involved a \$5,925,000,000 participation by the U. S., it merely endorsed the agreement signed in New Hampshire in 1944. This agreement left it to the governors of the Fund and Bank to decide what they would pay themselves as salary and expense money, and to determine the functions of the top manager and the executive directors of the twin institutions.



MUCHMORE
When Harry White, center, argued for generous salaries, he was actually arguing for himself

For big pay

UNDER the leadership and insistence of the United States delegates—notably Secretary of the Treasury Fred M. Vinson, Assistant Secretary of the Treasury Harry D. White, and Assistant Secretary of State Will Clayton—the scale of salaries for top officials was fixed at a high level at Savannah.

For one of the top



the Continental Can Company saves time and simplifies accounting with *Nationals*

This well-known concern uses National Payroll machines to make and distribute its weekly payroll. These machines greatly simplify the making of all payroll records including social security and state unemployment reports. They are also used to make the labor distribution. The use of these machines has effected a great saving over the former method of preparing payrolls and making distribution.

The National Payroll Machine makes the following records simultaneously. First, the individual payroll checks and pay statement, each showing the gross pay, the deductions for the current pay period, the net pay and cumulative figures for earnings and withholding tax.

Second, an individual earnings record for each employee with cumulative figures available for tax reports. And third, a payroll sheet and check register.

All entries are clear and legible. All printings are originals and identical, thus obviating discrepancies due to human error.

National Accounting Systems serve the accounting needs of businesses of every size and type. National Accounting-Bookkeeping Machines do not require specially trained operators, and they meet the needs of individual plant practices, methods, and deductions. The National Cash Register Company, Dayton 9, Ohio.



View of a National Accounting Machine in the payroll department of the Continental Can Company.

National
CASH REGISTERS • ADDING MACHINES
ACCOUNTING-BOOKKEEPING MACHINES

Making business easier for the American businessman

posts Mr. White, an author of the World Fund, had already been nominated and confirmed by the Senate; and for another of the top posts, Mr. Clayton's economist assistant, E. G. Collado.

When, before all the delegates at Savannah, Mr. White made his vigorous argument for a high scale of pay, he was, therefore, actually arguing for himself. Since he had the votes of the United States in his hand, Mr. White, of course, won out—and thereby advanced his own pay from \$9,800-before-taxes to \$17,000-after taxes.

Government tax experts figure that Mr. White's new pay is as good as \$25,000-before-taxes.

The only salaries determined at Savannah were those of top oper-

000-after-taxes is what you have left if you earn about \$25,000-before-taxes; and \$11,500 net is in the United States as good as \$14,000 in salary checks. But in those foreign countries where national income taxes are heavier than here, a man would have to earn before taxes much higher amounts.

The unniggardly \$50-a-day which the governors of the Fund and Bank have allowed themselves is seven times as much as the \$7 a day which the United States allows its officials traveling abroad. Inside the U. S. the allowance is \$6 a day.

The \$50 *per diem* starts, of course, when the governor or alternate leaves his home and ends when he gets back. The delegate

to a Fund or Bank meeting who comes to this country from Paraguay or South Africa, for example, will, therefore, run up quite a bill; excepting as his lodging may be provided by the transportation company. The directors and alternates are also allowed expenses for moving their families and furniture.

They get paid for missing connections, too. Some delegations to and from Savannah were held up waiting for the Atlantic weather to behave—at \$50 a day. Several of the delegates, unavoidably delayed, were entitled to turn in expense bills equal to a substantial part of an ordinary government official's annual pay.

No pay for "observers"

NOT ALL the visitors to the Savannah meeting got the \$50 *per diem*. Five countries (among them, Russia), although Bretton Woods signatories, had not yet ratified the agreements, but were invited to send observers to Savannah. According to a press dispatch, when a correspondent asked a State Department official whether the observers would get expense money, the apocryphal un-Harvardian reply was:

"What the hell, they didn't kick in anything."

In at least one respect, the Fund and Bank are taking no avoidable



CHARLOT SLOTH FROM BLACK STAR

It was not all work for those who gathered at Savannah

ating officials. Annual salaries were set at *net after taxes* as follows:

General manager of the Fund	\$30,000
President of the Bank	30,000
Executive director of the Fund (12; but 13 if USSR joins)	17,000
Executive director of the Bank (12; but 13 if USSR joins)	17,000
Alternate executive director of the Fund (12; but 13 if USSR joins)	11,500
Alternate executive director of the Bank (12; but 13 if USSR joins)	11,500
Per diem for governors and alternate governors, in addition to their travel expenses	50

These are good jobs. The \$30,000 salaries are apart from entertainment and similar expense money.

For a married man with two children in this country, \$30,000-after-taxes is the equivalent of about \$60,000-before-deductions; \$17,-



CHARLOT SLOTH FROM BLACK STAR

Helping themselves at Savannah: Gunnar Jahn, right, Norway's governor of the World Fund and Bank, and Ole Colbjørnsen, center, alternate

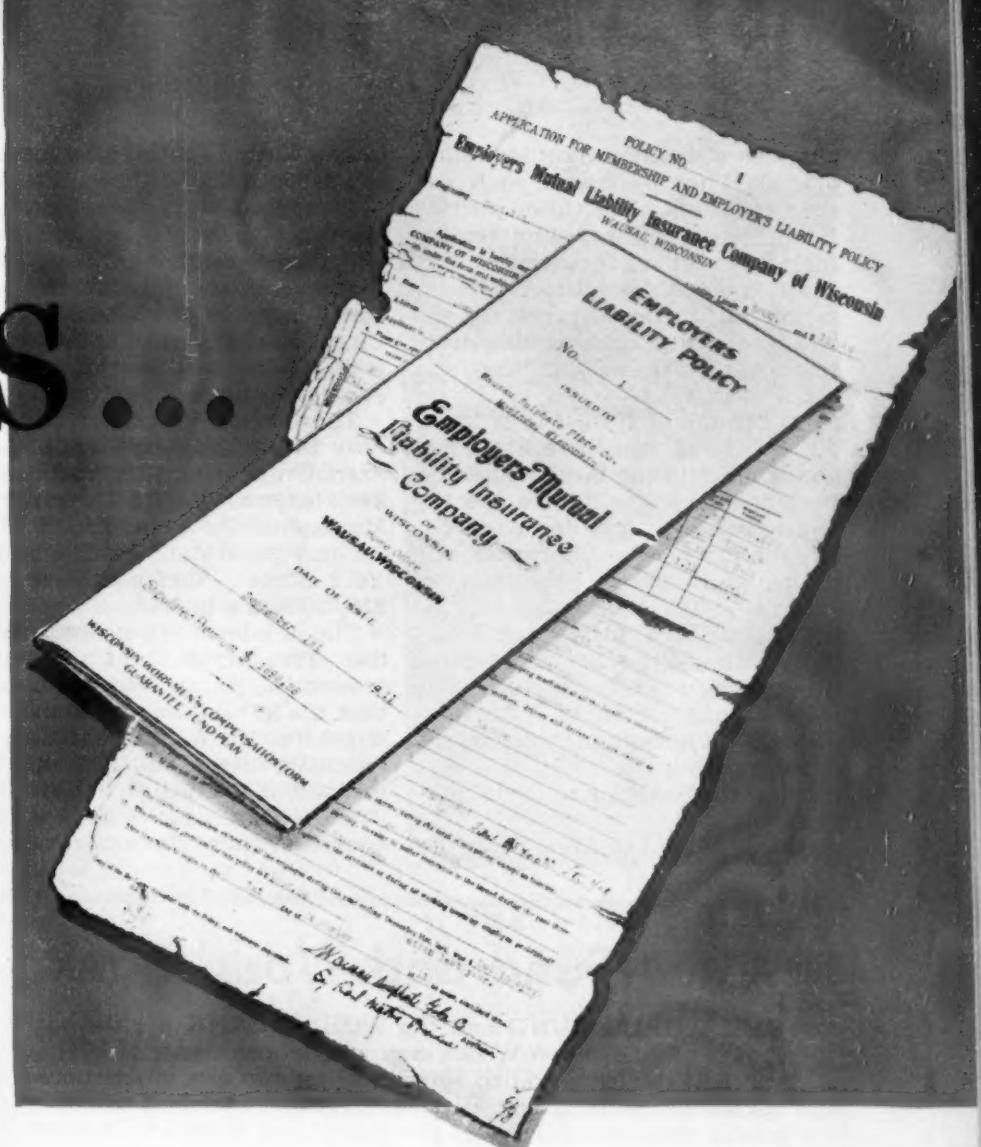
This...

the first policy
ever written by
**EMPLOYERS
MUTUALS OF
WAUSAU**
is still in force
because of these
principles

Protection lies in sound financial condition and conservative management, and the care in writing each policy to assure proper coverage.

Service extends through many fields, from the prompt payment of claims so as to assure greatest benefit to the policyholder, to the nationwide engineering and nursing services which aid policyholders in reducing hazards—thereby decreasing the chances of loss.

Savings result from reduced accident rates, lower premiums, and man-hours saved. In addition, all profits above those retained to assure strong reserves and adequate surplus are returned to policyholders as dividends—which have amounted to over forty-seven million dollars since the company was organized.



Mosinee Paper Mills Company (formerly Wausau Sulphate Fibre Company), the proud holder of the first policy ever issued by Employers Mutual Liability Insurance Company of Wisconsin, was one of the organizers of Employers Mutuals. The original application form is carefully preserved in Employers Mutuals archives.

Policy No. 1, issued September 1, 1911, is still in force because protection, service, and savings have been the guiding principles of these companies all these years.

Because of these same principles thousands of companies throughout the country have selected Employers Mutuals to protect them from losses, and hundreds of thousands of individuals have protected their savings and investments by insuring their health,

their homes, their automobiles, and other personal property with Employers Mutuals.

Employers Mutuals of Wausau, wholly owned by the policyholders and operated for their benefit, operate nationally, with branch offices in principal cities.

Employers Mutuals representatives promote better sales by making insurance understandable. Call on them for counsel and, if you wish, a complete analysis of your coverage. Such an analysis often reveals important risks that are not covered, while in many cases it discloses duplicate coverage that entails needless expense.

Write for information on your insurance problems, analysis of coverage, or explanation of insurance terms. Address: **Insurance Information Bureau, Employers Mutuals of Wausau, Wausau, Wisconsin.**

EMPLOYERS MUTUALS WRITE

Public Liability . . . Automobile . . . Plate Glass . . . Burglary . . . Workmen's Compensation . . . Fidelity Bonds . . . Group Health, Accident, Hospitalization . . . and other casualty insurance . . . Fire . . . Tornado . . . Extended Coverage . . . Inland Marine . . . and allied lines of insurance. All policies are nonassessable. Branch offices in principal cities. Consult your telephone directory.



make Insurance Understandable

EMPLOYERS MUTUAL LIABILITY INSURANCE COMPANY OF WISCONSIN

EMPLOYERS MUTUAL FIRE INSURANCE COMPANY

Home Office: WAUSAU, WISCONSIN

chances with their dignified fellow officials. Their by-laws in each case require that "an individual putting forward a claim for reimbursement for any expenses incurred by him shall include therewith a representation that he has not received and will not claim reimbursement in respect to those expenses from any other source"!

By the end of 1946, it is estimated, the Fund will have a staff of about 300, and the Bank about 200. Included in these figures are the approximately four dozen executive directors, their alternates, and the equal number of secretaries of each; and the economists, statisticians, accountants, clerks and typists who go to make up a typical Washington organization. The scale of pay for these lesser employees will be higher than that for corresponding American civil servants, if the Savannah precept prevails.

In any case, tax exemption will

of the United States, whose salary is \$75,000-before-taxes.

Compared with the \$30,000-after-taxes (\$60,000-before-taxes), the Vice President of the United States receives only \$15,000; the Chief Justice of the Supreme Court, \$20,500; and Cabinet members \$15,000. All these salaries are subject to income tax.

The Governor of Maryland gets only \$4,500 gross a year, plus an executive mansion and certain upkeep expenses. The Governor of Massachusetts gets \$10,000. The highest paid state governor, New York State's chief executive, gets \$25,000 and a home.

The new level of pay obtained by the Treasury's chief monetary economist, Harry White, when he took his hat and moved across the street into the Washington Hotel as executive director of the Fund, was equivalent to multiplying by about two and a half his peak U. S. government salary. But an even greater

do; that we should have to bring in good men from private business and pay division chiefs as much as \$6,000. So this was done. The old people in the Department didn't like to see 'outsiders' come in and get these high-paying jobs, but I advised them to be patient. 'The more \$6,000 jobs the better,' I told them. Eventually this became the standard for all division chiefs.

"And during the recent war the same thing happened. The temporary agencies paid much higher salaries than we could. They drew employees away from us. Some of our remaining people were dissatisfied. But I advised them to have patience; and now, as you know, salaries all along the line are being raised, even for the stenographers. So I say, hurray for the Fund and the Bank."

The argument for high pay

IN Treasury circles the pay scale adopted under U. S. sponsorship at Savannah is defended on the grounds that it is necessary to pay well to attract good men; that the salaries are commensurate with the importance of the work and comparable to those paid by other financial institutions; that the Latin Americans wanted the pay scale to be high; that Americans going to the Fund and Bank from the U. S. civil service are surrendering retirement benefits; and that the present scale of U. S. Government pay is no criterion, because it is notoriously low in the more responsible jobs and also because it is soon to be increased.

On the basis of federal income tax rates and the fact that the Bank and Fund will pay income taxes for the officers concerned, the Savannah meeting authorized for 50 top officials gross salaries totaling \$956,000 a year plus travel expenses for all and entertainment expenses for two. This is before hiring a single economist, lawyer or stenographer. Compare this figure with the \$320,102 annual pay roll of the entire 95 persons who constitute the entire board and staff of the \$3,500,000,000 Export-Import Bank, soon to be granted another \$1,250,000,000 by Congress.

British asked lower salaries

CHIEF opposition to the high salary scale for executive directors came from the British delegation. Disclaiming any responsibility for the decision on a salary scale "which equals or greatly exceeds the highest remuneration available in most countries for public

World Fund and World Bank

THE WORLD FUND and the WORLD BANK are the outgrowth of the Bretton Woods international conference of 1944 at which 44 countries drafted agreements for two new international institutions to help bring order into the world's jumbled economic affairs. American dollars are the Fund's and Bank's main stock in trade.

The International Monetary Fund Agreement, to use its formal title, calls for consultation with the Fund before any member country alters the foreign-exchange value of its currency by more than ten per cent. In exchange, the members are entitled to borrow foreign exchange from the Fund within specified limits.

The World Bank, officially called the International Bank for Reconstruction and Development, is to make long-term funds available to its member countries for the two purposes shown in its title. Unlike the Fund, borrowing from the Bank is not limited to any specific quota.

apply to all of them. The British do not see any reason for such large and lush staffs. Also they opposed having the headquarters of Fund and Bank in Washington. But the American delegation at Savannah argued that in Washington the twin financial bodies would have the benefit of all the information more readily available there than elsewhere.

How good by American Government standards is a salary of \$30,000-after-taxes—the equal of \$60,000-before-taxes—may be seen by a few comparisons. The president of the World Bank and the general manager of the Fund are better paid than any American government official except the President

er income raise was that of E. G. "Pete" Collado, United States executive director of the World Bank, who gets \$17,000 a year after taxes. In his last State Department position Mr. Collado, as an economic adviser, was paid \$8,250 before taxes.

While, as Washington staffs go, the Fund and Bank are small institutions, the fact that they bring a high pay scale to the capital is regarded by some of the older bureaucrats as all to the good. One old Washingtonian with whom I discussed the matter observed:

"In this Government Department in 1921, a division chief's top pay was \$2,500. The new Secretary at that time decided this wouldn't



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Seven Who Ran When It Counted

(Continued from page 52)
the floor for second place, and thought they had made a smart move.

A month later, when Harrison suddenly died, Whig leaders chuckled gleefully over the prospects of an easily handled successor. Tyler learned of Harrison's death while playing marbles with his boys at his home in Williamsburg. He was so badly broke that neighbors had to pass the hat to get him passage money to Washington. This news convinced the national Whig bosses anew that they had an ordinary local character who would be putty in their hands. Too late they learned he played political marbles for keeps.

Full-time President

FUR started flying when Tyler firmly refused the suggestion of the solid Whig cabinet at its first meeting with him that he merely designate himself as Acting President. He then declared that he would be a full-time President in both name and deed. So numerous were his subsequent vetoes of pet Whig measures that within a few weeks every Cabinet member except Daniel Webster had resigned. Webster quit in two years.

Personal and public opposition to the President continued to the end of Tyler's term. So bitter was Congressional feeling against him that he was able to get such an important matter as the annexation of Texas through Congress only by a smart legislative maneuver. Even his marriage to a young woman was flayed openly as "indecent" by John Quincy Adams. Deserted by both Whigs and Democrats, his second term hopes were shattered. But he still wanted public office. As an aged man he served a term as local road supervisor.

Whig leaders learned nothing from the Tyler experience. In 1849, they named Millard Fillmore, a mine-run local Western New York politician, for Vice President. Within a year President Zachary Taylor was dead and Fillmore was in the White House. Lacking old "rough and ready" Taylor's courage to meet the expanding slave territory issue, Fillmore proved no national leader at all. When, under urging by Clay and Webster, he signed the Fugitive Slave Act, he split his party and opened the way to the election of Franklin Pierce, a Democrat. Fillmore was

not nominated in 1852, but in 1856 he succeeded in winning both the Whig and Know-nothing Presidential nominations, but ran a lame third in the election.

Opinions differ about many phases of Andrew Johnson's policies and character, but none will aver he lacked courage. He started fighting with his political opponents the minute he succeeded Lincoln in 1865 and the battle lasted to the end of his term. As a Senator before he became Vice President, he fought secession, facing hostile audiences, once with gun in hand, without show of fear.

As President, he told his enemies, publicly and privately, what he thought of them. At a meeting in Indianapolis, when pistol shooting from the crowd began, he left the platform only after being urged strongly by General Grant to flee for his life. The nearest he came to admitting defeat was when he packed up his belongings preparatory to leaving the White House as the voting on his impeachment proceedings started in the Senate.

An example of integrity

EXCEPT for the fact that he wore luxuriant side whiskers, Chester A. Arthur, who succeeded Garfield, scarcely is remembered by the older generation or even students of history. Yet Arthur as President set a splendid example of integrity, fairness and appreciation of the responsibility of his high office.

Oddly, even Arthur's friends were inclined to doubt his ability in 1881 when the assassination of Garfield made him President. Although Arthur came of good Vermont stock and was cultured and well educated, his years in New York City Republican politics had branded him as a machine boss. In fact, shortly before he was nominated for the Vice Presidency, he had been removed from the collectorship of the Port of New York under just that charge.

He was given the Vice Presidential nomination without debate when, during the convention, he told Roscoe Conkling, then a United States Senator from New York and a colleague of "Boss" Platt, he would like the place as a form of vindication. Even in his early days as Vice President, Arthur played the partisan game. Naturally, when he became Chief Executive his old pals in the back rooms of Manhattan figured they

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—ARISTIDES



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If you are not one of this group, your local chamber has room for you and work for you.

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United States of America
WASHINGTON • DC**



could count on "Chet" to deliver as usual.

But once Arthur entered the White House, Republican stalwarts were astounded to find that he entertained unexpected views about appointing qualified men to office. In disappointment and anger, New York G.O.P. leaders told him that if he were back in his old job of boss he would be pleading for appointments just as they were.

"That is true," he replied, "but I have learned that Chester A. Arthur is one man and the President of the United States is another."

First civil service law

IT WAS under Arthur that the first national civil service law was passed. He got behind the measure for more reasons than a desire to insure government workers steady employment. He expressed fear that the whole structure of government was being undermined by the spoils system.

One of the most constructive things Arthur did while in office was to ignore the old North and South sectionalism feud. He was the first President after the Civil War to make no mention of the struggle in his annual messages.

Never in our history have national political bosses blundered so badly as when in 1900 "Boss" Platt and others tried to shelve Theodore Roosevelt by nominating him as William McKinley's running mate. Within little more than six months after McKinley was elected, T. R. was President and riding herd on the very men who had "shelved" him and their friends.

Among those who had no part in the "shelving" were McKinley and his patron saint, Mark Hanna. McKinley never trusted T.R. He even opposed his appointment to the post of Assistant Secretary of the Navy prior to the Spanish-American war. In this the President was overruled. Likewise when Platt offered Roosevelt to McKinley as his running mate in 1900, the usually placid Ohioan protested vigorously but futilely.

Roosevelt's statement upon being sworn into office that he would "carry out his predecessor's policies" probably is the most outstanding example in all history of an incomplete sentence. What he undoubtedly started to say was that he would carry McKinley's policies out of the White House and bury them. That is just what he did.

Looking back, one is surprised at the comparative mildness of some of the Roosevelt policies which

stirred up furore around 1905. Maybe they were just well publicized. For T.R. was the first President really to appreciate the value of publicity. He knew how to dress up rather commonplace incidents or policies and make them look sensational in print.

Raising campaign funds

WHAT the public did not know when T.R. was in office and what standard histories fail to mention or gloss over today is that while he made much public noise about his hatred of "malefactors of great wealth," he was on pretty good terms with many rich men. A lot of starry-eyed Bull Moosers learned this to their dismay when they followed T.R. out of the Republican party in 1912. Every time the new party needed money, some of the best known rich were telegraphed to send gobs of cash quickly, or were admitted to headquarters through a back door for a good going over.

On that phase of the campaign I can speak from the book. For four months as a staff correspondent of the Associated Press, I toured with Hiram Johnson, the Progressive Vice Presidential candidate, and saw many Bull Moose fat cats shaken down by the finance committees. The "true liberals" made wry faces over the unpleasant job, but T.R. knew the short cuts to big contributors and, when he pointed the way, the faithful collectors went to work with lead pipe, rubber hose and other handy instruments.

One of the easiest ways for an officeholder to perplex professional politicians is just to be himself. That was the answer to the success of Calvin Coolidge in the White House.

From the time that he ran for the common council in Northampton, Mass., until he was elected to the Presidency, after having served out Harding's unexpired term beginning in 1923, Coolidge never tried to be anything but plain Cal. If he had tried to be anything else, he probably would have become hopelessly involved quickly. Hence he got along all right as President for five years and five months and might have had four years more of the White House if he had not issued his famous "I do not choose to run" statement.

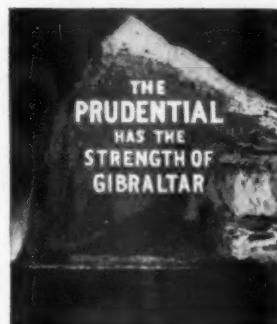
The bosses who had named Harding because they thought he would "be reasonable" did not want Coolidge for Vice President. They had planned to name Irvine Lenroot, a Wisconsin Senator, as a sop to the Progressives, but shrewd



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old Senator Murray Crane, Coolidge's mentor, kept him in and out of the fight at the right times.

Officially, an Oregon delegate sprung Coolidge's name on the convention as a "surprise" and he was nominated with a rush. I was standing alongside Crane when that "unexpected" nomination was made and the sly smile which stole across the old fox's face has always caused me to suspect a little understanding existed that day between the East and the West.

Inspired confidence

WHEN Harding died, Coolidge, who had sat with the Cabinet, moved over a chair and set about keeping the badly rocking administration boat upright. One of his first statements as President, "The business of America is business," inspired confidence in him.

After that he preached and practiced the simple homely virtues which most taxpayers understand and appreciate—thrift, economy in government, and honesty—and grew stronger daily. His own party leaders soon saw in him unsuspected statesmanship and began to whoop it up for him. He breezed into the Presidency in 1924.

As President, Coolidge suffered one defeat within his party which distressed him. He wanted Everett Sanders, of Indiana, as his running mate in 1924. Senator Jim Watson, who desired the Vice Presidential nomination himself and also disliked Sanders for political reasons, prevented the nomination.

Several men have refused Vice Presidential nominations only to see their prospective Presidential running mates elected and then die in office. The natural assumption is that such men go to their graves regretting their failure to appreciate the capital prize fate held out to them. One such man was the late Senator Hiram Johnson, of California. Harding, after being nominated for President in 1920, personally begged Johnson to take second place on the ticket. Johnson refused vigorously. Harding was dead within 19 months.

Unquestionably when Johnson died in 1945, he was a saddened and disappointed man. But it was, in my opinion, based on close association with Johnson, something far different from the Harding episode which depressed him. It was his disappointment in Theodore Roosevelt. I sat with Johnson in the second Bull Moose convention in Chicago in 1916 and saw him receive the news that T.R. had walked out on the party that he had created to promote his per-

sonal ambitions. It was a bitter blow to Johnson, who had followed his leader out of the G.O.P.

From the time of Roosevelt's desertion, it always seemed to me, Johnson's fighting spirit weakened. True, he went through the motions of running for the Republican Presidential nomination in 1920, but he was not the slugger who made a whirlwind campaign from coast to coast in 1912 as T.R.'s running mate. It was at the end of Johnson's losing fight for the Presidential nomination in 1920 that Harding asked the Californian to run with him. The chief reason Johnson declined was that he felt he was a better man than Harding, and, as an exceedingly proud individual, it was beneath his dignity to accept second place.

The importance of a Vice Presidential nomination has been emphasized many times in the past six years particularly. Elevation of Truman to the Presidency has called special attention to it, but there have been other incidents of importance.

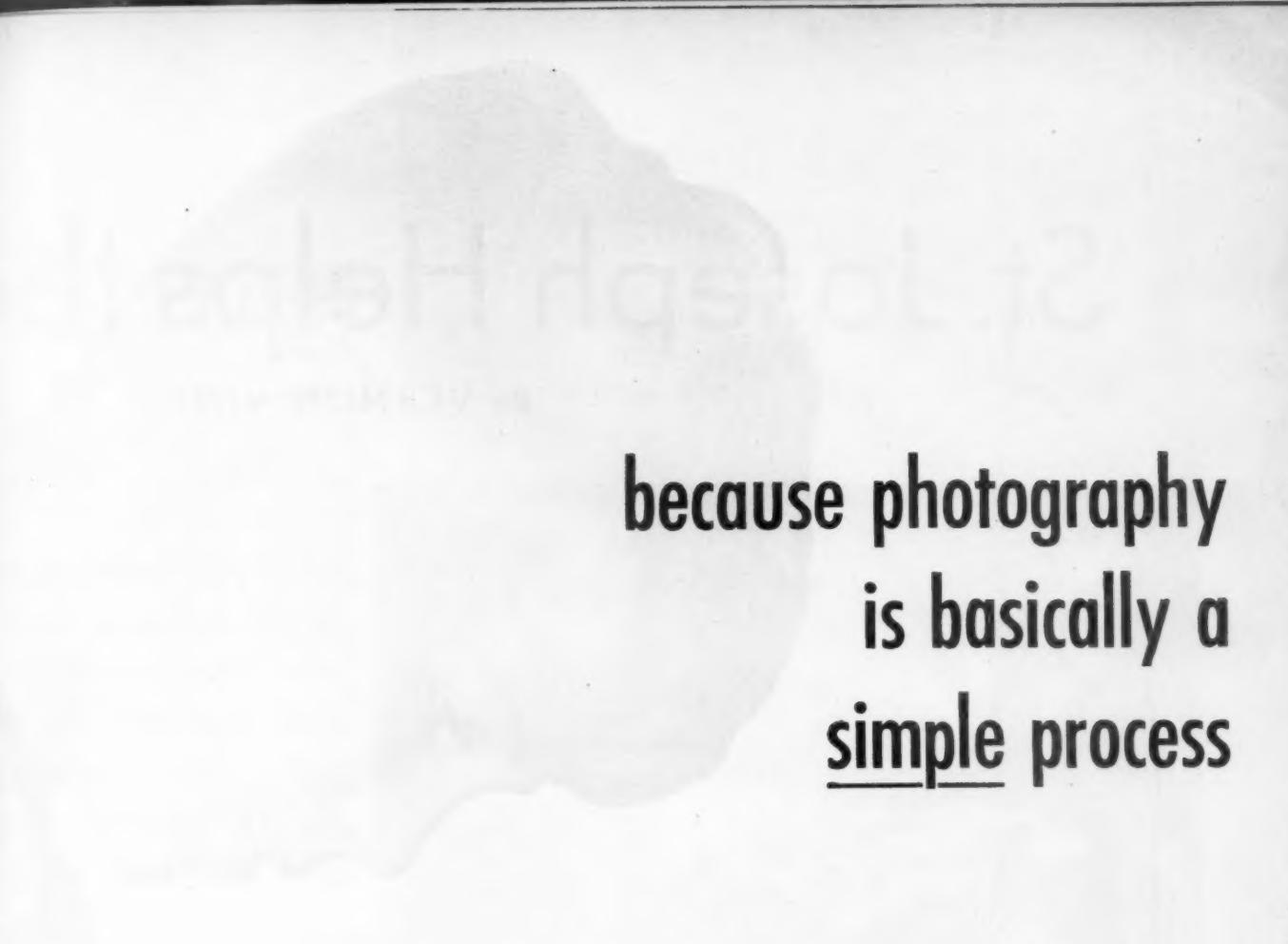
Wouldn't join forces

HAD either Taft or Dewey been willing to accept second place on the Republican ticket at Philadelphia in 1940, Willkie never would have been nominated and the whole history of the party probably would have been changed greatly. Managers of both Taft and Dewey had enough votes between them to stop Willkie or any other Presidential candidates, but when a coalition was proposed each stubbornly refused to permit his man to take second place on the ticket. While the managers huddled, Willkie grabbed the ball and scored.

John Bricker helped his standing in the Republican party by accepting second place to Dewey in 1944 at a stage of the convention when he still had a tremendous following among individual delegates. As a result, today Bricker promises to be one of the strong contenders for the Republican Presidential nomination in 1948.

It may be said definitely that there will be no lack of Vice Presidential candidates in 1948. This positive statement can be made on the basis of the current Indiana situation alone. Recently I made a survey of a good part of the state to determine if any Vice Presidential candidates were awaiting a call. They were. I found the Vice Presidential lightning rods more numerous than corn stalks. And 40 times as high.

Possibly one or two other states also may offer candidates.



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St. Joseph Helps the F

By VERNON VINE



J. W. McMANIGAL

Russell Wales, banker, at his desk conferring with a farmer

TWO years ago the business men of St. Joseph, Mo., took stock of their situation. They found that those outpost villages that St. Joseph had helped found—Kansas City and Omaha—had made themselves great while their erstwhile sponsor lagged behind.

It looked as if the citizens of St. Joseph would have to put aside their dreams of grandeur. The town just wasn't going to become the gateway to the West after all, and its citizenry would do well to hitch their wagon to some closer star. While looking for a likely one, they hit on the farming and ranching in the 55 counties of western Missouri and northern Kansas that constitute St. Joseph's trade territory.

A survey of all the town's industries employing 50 or more persons showed that more than half of the employees were directly engaged in handling or processing farm products. A look at the farms and

Henry Baker, left, and Emmett Ryan by a terracing machine

HALF the topsoil around St. Joseph had gone down the river. More was being lost each year, and jobs along with it. Here's how the local chamber turned the tide—a plan other cities can adopt



J. W. McMANIGAL

NATION'S BUSINESS for June, 1946

Farmer

ranches creating these jobs showed that, in the first century or less since the plow originally broke the plains, half the topsoil had gone down the Missouri River. The rest was going at a rate of three per cent a year. Unless something was done soon, St. Joe would have neither star nor wagon.

Today the St. Joseph Chamber of Commerce has a \$70,000 agricultural projects fund, a full-time professional agricultural agent, and an agricultural program that holds equal rank with the Chamber's industrial program. More than that, it has results to show for what it has done.

Number 1 job was, and is, to stop soil losses. A promising start has been made:

In 1945, 32 farms in Buchanan County started conservation farming. In number, the accomplishments may seem small. Actually,



J. W. McMANIGAL

"Terracing a farm adds twice as much to its value as the cost of doing the work"



DICK JONES

Conservation farming calls for moving dirt, and this takes not mere talk but special equipment

most of these farms serve as demonstration projects where the Chamber of Commerce and the county agricultural extension service can show other farm owners the methods and practical benefits of conservation farming.

Conservation farming is not just switching from one crop to another, or plowing on the contour. These are important elements but secondary ones.

On the rolling land around St. Joe, conservation farming begins with a survey of the farm. Next comes a lot of earth moving—the construction of waterways and terraces, the filling-in of gullies, the building of concrete outlet structures for drainage water,

the excavation of ponds and erection of dams. The program also calls for spreading lime and commercial fertilizers in large quantities. It calls for spending in some cases \$30 to \$50 an acre—almost buying the farm all over again.

St. Joseph business men discovered three things were involved in getting conservation farming started: getting people interested, making earth-moving equipment available, and providing credit to those who needed it.

One of the first jobs Henry Baker tackled when he reported for duty as the Chamber's agricultural agent was to talk up conservation farming. Interest wasn't hard to arouse, but it takes more than talk to move dirt—it takes special equipment, and none was handy.

So, his next job was to find a soil conservation contractor who was willing to move to St. Joe and gamble on whether the Chamber of Commerce had created enough interest to make it worth while. The man was found. At the last report, the contractor had work lined up for two years, and estimated that, at the rate requests were coming in, he'd have a lifetime job. Meanwhile, two other contractors have

set up in business, and both of them have more work than they can do.

Then St. Joseph banks, spark-plugged by Russell Wales, cashier of the Tootle-Lacey bank and then president of the Chamber of Commerce, pledged a \$500,000 credit pool to finance soil conservation loans if any project exceeded the lending lists of an individual bank.

Terracing increases value

WALES' own farm is one of the 32 put under a conservation program last year. As a farmer he has seen what terracing means to the land. As a banker, he says, "The value of terracing is easily twice the cost of doing the work."

Working with an ex-St. Josephan, Darryl R. Francis, agricultural economist of the St. Louis Federal Reserve Bank; and Webb Embrey, Buchanan County agent; the St. Joseph banks have developed a type of soil conservation loan that Chester Davis, president of the St. Louis Reserve Bank, has called revolutionary.

The loan, which breaks with the past from the beginning, is secured by a deed of trust to the land. Thus

the bankers recognize land improvement as a capital investment. Heretofore, practically all such credit has been granted for short terms, usually secured by chattel mortgages.

The limitations of short-term credit in soil conservation work are so great as to make it almost valueless. Few farmers have enough short-term borrowing power to finance both current production expenses and extensive improvements to their land. Moreover, although soil conservation work is self-liquidating, the returns do not come fast enough to meet short-term loan repayment schedules.

Continuing their precedent breaking, the bankers reasoned that, if soil conservation work improves the land, it adds to the worth of the land, and therefore to its loan value. Just as a loan for remodeling a house can be based on the value of the house after the work is completed, so a loan for conservation work can be based on the value of the land after the work has been done. The loan can be committed safely in advance.

This means that a farmer who is a good moral risk, but who has a minimum of unobligated security,



The crowded sales pavilion during a boar and gilt sale by members of the Future Farmers Youth Organization shows the popularity of projects sponsored by the St. Joseph Chamber

still can borrow for soil conservation work. The repayment schedule for such loans is set up against the increased income to be earned as a result of the conservation work. Using ultra-conservative estimates of increased yields and prewar prices as the basis for their calculations, the bankers believe a farmer can pay back a conservation loan in nine years without ever touching his pre-improvement farm income.

Secretary of Agriculture Clinton P. Anderson said recently, "I was impressed by the pioneer work of the Chamber of Commerce and the bankers of St. Joseph to provide adequate credit, in the proper form, for soil conservation work on farms in their area. I think their plan hit the nail on the head. What has been needed, and what the St. Joseph bankers have provided, is a type of long-term credit geared to the whole conservation job on a farm."

For balanced farming

BUT conservation farming is just one aspect of the program of balanced farming which the St. Joe Chamber of Commerce is promoting in cooperation with the University of Missouri and Kansas State College.

"Balanced farming," as Henry Baker describes it, "aims at a living for the farm family, and starts with an inventory of soil resources. It includes a cropping program to fit the soil, livestock to fit the crops, and both to fit the available labor. With balanced farming, instead of having a loss of from two to three per cent of our fertility each year, we hope to get an annual gain of from one-half per cent to two per cent."

But bringing the farming program of an individual farm into balance is a far different job from bringing the farm program of a whole region into balance. Promoting balanced farming is the job of just one committee in the Chamber's agricultural department.

Other committees already have accomplishments that match the beginning made by the balanced farming group. The Dairy Committee, for example, has assisted in the establishment of an artificial insemination "ring." Twelve hundred cows were serviced the first year, ending March 18, 1945.

These dairy men have hired a technician, and have contracted with a breeding farm for semen with which to inseminate their cows. Judging by the average production of cows in the territory, the

test-tube heifers produced should be enough better than their dams to give \$30,000 worth more butterfat each year.

"That," says Henry Baker, "is \$30,000 of new-found wealth."

More interest in livestock

ANOTHER project undertaken in the past year was the refurbishing of a livestock sales pavilion, and the beginning of a series of purebred livestock auctions. This is a double-barreled enterprise, aimed first to win some business for St. Joseph that previously has been going to Kansas City or Omaha and, second, to stimulate interest in better breeding stock on the part of cattlemen in the St. Joe area.

Walter Parker, chairman of the Chamber's Agricultural Committee and manager of the local Swift & Co. plant that slaughters most of the beef, says, "When you see the kind of cattle the farmers are spending their time and effort on, and what we can pay for them, you know something should be done."

Strange things happen when a program gets rolling. One member of the Agricultural Committee became so enthusiastic that he talked a local industrialist into giving the Missouri Horticultural Society an 80-acre farm just south of St. Joseph. The Society promptly turned the property over to the University of Missouri which is proceeding with studies on the farm—now an experimental station—to find the answers to a number of serious orchard problems in the area.

Another business man, not up to giving away farms, but still wanting to do something special, has volunteered to build a needed barn on the property.

The work of most of the committees is obvious from their titles. Some, however, deserve further explanation. The Research Committee is charged with investigating new developments affecting the production or industrial uses of farm commodities—to make sure that St. Joe misses no bets in the field of chemurgy.

The Rural-Urban Relations Committee has such homely, but practical, chores as facilitating the installation of rest rooms, parking areas and other conveniences for use of farm families visiting St. Joe.

Under the Farm Home Improvements Committee comes responsibility for rural electrification, better roads and telephone service.

One of the most ambitious projects is being carried on by the

Flood Control Committee which is attempting to induce Army engineers to set up a study of flood control by means of soil conservation.

Frankly skeptical of flood control plans based on taking care of the water after it reaches the streams and rivers, St. Joe business men believe it is worth finding out first if the water can be held back on the farms where it will do some good. For their project they have proposed a complete soil conservation program on a watershed drained by one stream—small, but notorious for damaging floods. If they can prove their point, a possible outcome could be a complete recasting of flood control programs for the entire Missouri Valley.

A realistic program

THE St. Joseph farm program has won the cooperation of farmers for two reasons. First, it has been offered to them realistically. Second, the Chamber has demonstrated that it can get things done.

"It isn't our purpose to tell the farmers anything," says Walter Parker. "We hope we can demonstrate to them."

Baker adds, "We say our interest is selfish. We're prosperous only if the farmers are prosperous. They appreciate it."

The Chamber aims to work in cooperation with local people in each community—the county agricultural agents, the local bankers. The state directors of the agricultural extension service for both Missouri and Kansas are consultants to the Agricultural Committee. In each county where a project is undertaken, the local extension agent also is asked to act as a consultant.

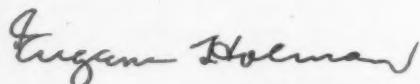
As a result, county agents are referring farmers to the Chamber for jobs that lie beyond the scope of the extension service. When hog raisers were trying to get OPA and the War Food Administration to adopt more realistic policies, the Agricultural Policy Committee organized a meeting at which farmers had an opportunity to present their complaints to a U. S. Senator and a Congressman. Performance like that brings in more requests.

St. Joseph is overlooking no promotional efforts in its program, either. For years the town had held an annual 4-H Club livestock show. But with its vitalized agricultural program, the size of the show has been doubled. In 1944, 476 head of baby beesves were exhibited; in 1945, 950 head were entered. Last year's premium list totalled \$25,-

As a matter of Public Interest

... SOME HIGHLIGHTS FROM THE ANNUAL REPORT OF STANDARD OIL (N. J.)

Because Standard Oil Company (New Jersey) with its affiliated companies is one of the nation's large enterprises, its operations may be of interest not only to shareholders and employees, but to others as well. The following facts, selected from the Company's Annual Report, just published, provide a good summary of the Report and cover the developments of greatest public interest.



EUGENE HOLMAN
PRESIDENT



FRANK W. ABRAMS
CHAIRMAN OF THE BOARD

End of War During World War II Jersey and its affiliates were called upon to a greater extent than any other company to fuel the armed forces of the country. They were the largest producers of 100 octane gasoline in the world. They produced, in Government-owned plants which they operated, as much synthetic toluene (for TNT) as all the rest of the world combined. They were among the largest producers of the raw materials of synthetic rubber.

Reconversion Reconversion was carried out smoothly and quickly. It was possible, with relatively few difficulties to change over from an intricate pattern of manufacture and transportation designed for a nation at war to an equally complex pattern fitted to a nation at peace, and to begin supplying, upon short notice, civilian demand for unrationed gasoline and many other products.

Oil Production World-wide production of crude oil by consolidated companies was 995,000 barrels per day,

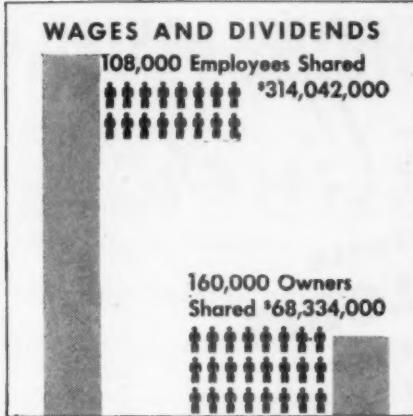
an increase of 8 percent over 1944. During 1945 the domestic crude production of Jersey affiliates represented 9 percent of the oil produced in the United States, and their world-wide production amounted to 13.5 percent of the oil produced throughout the world.

Refining The amount of crude oil processed in the domestic and foreign refineries of affiliated companies—1,119,900 barrels per day—represented an increase of 5 percent over 1944. Crude run to domestic refineries was 13 percent of the total crude processed in the United States.

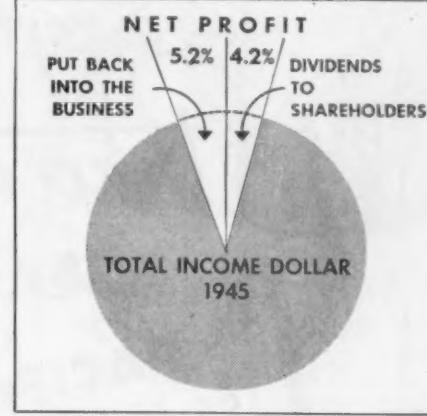
Transportation From the outbreak of hostilities in 1939 until V-J Day, 96 tankers owned by Jersey and affiliated companies were lost, either through capture or seizure by the enemy, sinking, collision, or stranding. The lost vessels have been partially replaced, and plans are under way to add further to the fleet's carrying capacity.



FOR EACH EMPLOYEE ON THE PAYROLL
Jersey and its consolidated companies have invested \$22,600 in property, plant, and equipment. The gross value of capital investments in lands, refineries, pipe lines, tankers and other properties necessary to provide 108,000 jobs was \$2,441,942,488 at the end of 1945.



EACH FIGURE REPRESENTS 6,750 PERSONS, and the bars represent the amounts of income each group received from Jersey in 1945. The sum of \$314,042,000 was paid to employees of the Company and affiliates in wages, salaries and benefits. Dividends amounted to \$68,334,000.



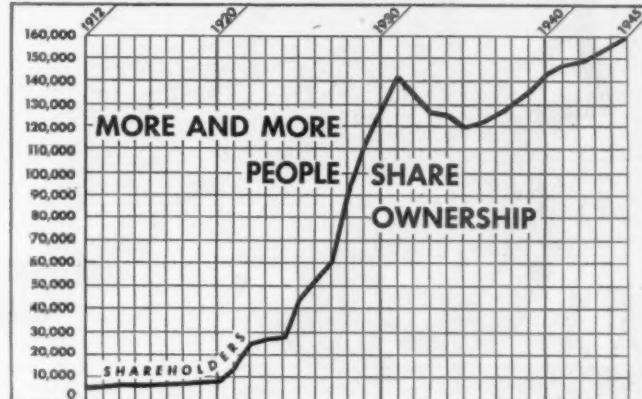
THIS SHOWS THE PROPORTION OF NET PROFIT made by Jersey and affiliates out of total income in 1945. It shows also the proportion paid to shareholders in dividends and that left in the business to meet future capital expenditures, etc. All the rest of the income was required to pay wages, purchase materials and meet other operating costs.

Marketing Everywhere, throughout the war, marketing activities were largely regulated by government directives, and when these were ended in the United States and in some foreign areas there was a rapid return to normal competitive activity. World-wide sales of refined products in 1945 were at the rate of 1,193,000 barrels per day, an increase of 4 percent over 1944. Of this amount 694,000 barrels per day were sold in the United States domestic market.

Research Until the end of hostilities Jersey research was almost entirely on war work of highest importance. Immediate postwar research budgets will be approximately 50 percent above prewar budgets as part of a program to carry over into a peace-time world research begun for war, and to continue scientific inquiries on petroleum as a raw material for many products.

Employee Relations Jersey and affiliates continued to enjoy excellent labor-management relations. When the war ended, Jersey's domestic petroleum affiliates proposed upward adjustment in wages and salaries of 15 percent. This was accepted by all employee bargaining agencies involved. By March 1, 1946, an additional 3 percent had been negotiated and accepted. One of the best evidences of the satisfactory employee relationships in Jersey is the fact that 95 percent of the domestic employees who have been released from the armed forces have returned to the Company.

More than 79 percent of eligible domestic employees are now buying term life insurance under the Group Insurance Program for a total coverage of \$160,241,800. Employees participating in the Thrift Plan contrib-



WIDENING OWNERSHIP OF JERSEY is shown by the fact that the number of shareholder accounts has increased from 5,816 in 1912 to 160,025 as of December 31, 1945.

uted last year \$15,019,011, which was supplemented by Company contributions of \$18,921,235.

Earnings Consolidated net earnings in 1945 amounted to \$154,156,196, equivalent to \$5.64 per share. For 1944 the consolidated net earnings were equivalent to \$5.69 per share. During the year the Company paid dividends totaling \$2.50 per share.

Statement of Principles In order to make as clear as possible the Company's outlook in today's changing world, the Board of Directors has prefaced this year's Annual Report with a special *Statement of Principles*. This expresses, for our stockholders and for anyone else interested, basic viewpoints and policies of the Company.

[Copies of the full report are available on request. Address
Room 1626, 30 Rockefeller Plaza, New York 20, N. Y.]

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Ar. Kansas City . . . 8:25 pm
Ar. Denver 6:45 am
Ar. San Francisco and
Los Angeles 2:20 pm
Ar. Portland 5:00 pm

EASTBOUND

Lv. San Francisco . . 11:30 am
Lv. Los Angeles . . . 11:45 am
Lv. Portland 9:00 am
Lv. Denver 8:45 pm
Lv. Kansas City . . . 8:50 am
Ar. St. Louis 1:40 pm



For faster through sleeping car service between St. Louis, Colorado, and the Pacific Coast...GO WABASH!

WABASH RAILROAD

000, and 5,000 persons jammed the auditorium for the main entertainment program.

This activity draws other groups into the agricultural program, too. The women's division of the Chamber sponsors a home economics show and a dinner for farm women. The Junior Chamber of Commerce provides housing and dinner for the boys and puts on the entertainment.

Last year St. Joseph got concrete proof of what the 4-H Club show means businesswise when the Federal Reserve Bank's retail trade figures showed St. Joseph's business made the sharpest gain for the week recorded in any city in the district.

Other projects sponsored included the establishment of an annual interstate junior dairy show, a Future Farmers' boar and gilt sale, a balanced-farming dinner to honor farmers "who are making visible progress in applying planned farm management practices."

The Chamber also sponsored a pork production contest, a horticultural show, a lamb and wool school, and a feed dealers' conference. Attendance exceeded 15,000 at a recent farm machinery and home equipment show.

Organized for results

THE Agricultural Projects Committee of the St. Joseph Chamber of Commerce is composed of 20 men. At the top are the agricultural vice president, as chairman; two associate chairmen; a director of the Chamber; and the Chamber's agricultural agent. Other members are the 16 chairmen of the individual project committees (one of whom is the representative of the Chamber's board of directors).

Where they were available, farmer-members of the Chamber have been appointed to the projects committee. Membership on the subcommittees generally includes one or more farmers, most of whom are not even members of the Chamber of Commerce.

The \$70,000 agricultural projects fund is administered by a separate board of five trustees, two of whom are farmers, and one of these is not a Chamber member.

The fund is not an endowment. It was raised to be spent. The present annual budget of the Agricultural Projects Committee is about \$14,000, not including expenditures for special events. It seems little enough to spend when the possible returns are so large.

The Puritans' Price Problem

PRICE CONTROL and wage increases have grown in complexity with our century, but they have been factors in the country's economy since the earliest years. As long ago as 1633, Gov. John Winthrop of Massachusetts observed in his celebrated *Journal*:

"The scarcity of workmen had caused them to raise their wages to an excessive rate, so as a carpenter would have three shillings (about 75 cents) the day, a laborer two shillings and sixpence (about 60 cents)."

Then, as now, a rise in wages meant a corresponding increase in prices. Those who had commodities to sell, as Winthrop informs us, "advanced their prices sometime double to what they cost in England."

To curb the evils arising from excessive wages, the General Court (Massachusetts legislature) set the wage for carpenters at two shillings a day and for laborers at 18 pence. It also decreed that "no commodity should be sold at above fourpence in the shilling more than it cost for ready money in England."

Big pay and high prices brought additional alarm to the Puritan fathers. Because the workmen were making "as much in four days as would keep them a week," they spent their time idly and wasted money on tobacco and on what the Governor refers to rather quaintly as "strong waters."

When Winthrop noted these cogent facts in his *Journal*, the Colony of Massachusetts Bay had just turned four years old. Established in 1629 at Salem, the colony had been transferred shortly thereafter to present-day Boston and was still having a fight for survival.

Although there is a lapse of some six years in the *Journal* before Winthrop gives further vent on the wage and labor situation, it was a recurring problem during the interim. When the General Court met in its November,

1639, session, "great complaint was made of the oppression used in the country in sale of foreign commodities." One of the chief offenders was a Boston merchant.

High profit brings fine

SINCE the merchant in question was a man of means and had but one child, he could hardly plead necessity for his exorbitant charges. To make his sin more heinous in the sight of his Puritan brethren, he was "an ancient professor of the gospel." Indeed, he had come to the young colony, as did many more, "for conscience' sake." Largely for these reasons the Court did not act precipitately in his case. He was quietly admonished by close friends, church elders and the magistrates, but when he failed to live up to promises of reform, he was fined £100.

The fine would have been heavier but for all too obvious factors. As Winthrop rather sadly admits, "There was no law in force to limit or direct men in point of profit in their trade."

Nor was this Boston merchant alone in his practices. Price-holding was a problem, for, says Winthrop, "All men through the country in sale of cattle, corn, labor, etc., were guilty of the like excess in prices." Even more striking is his admission that "a certain rule could not be found out for an equal rate between buyer and seller, though much labor had been bestowed in it, and divers laws had been made which, upon experience, were repealed, as being neither safe nor equal." —MAUD M. HUTCHESON



"It all started when he couldn't get film or camera"



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Labor Union up in the Air

(Continued from page 49)

instruction, depreciation, hangar rent, operating cost and maintenance might give him a thousand hours for \$6,000.

In either case he would have to arrange for his living during the two years or so it would take him to learn to fly and acquire 1,000 hours.

Or he may work his way through school, which is the most common practice among young men aiming at the airlines. He may acquire a commercial pilot's license at CAA minimum of 200 hours, get an instructor's rating, and build up his flying time while working for a fixed base operator. In this way he may reduce his original expenditures to \$2,000 or so.

This traditional pattern is upset at present by the issuance of commercial pilot's certificates at the rate of 100,000 a year, all but a few of them to former service men whose only requirement is that they produce service records showing piloting proficiency and experience, and pass a short written examination on the civil air traffic rules.

But a very low percentage of service trained pilots have 350 night hours and 100 instrument hours, and the civilian instrument rating is issued only after written and flight tests.

Starts as copilot

HOWEVER the applicant meets the airlines' beginners qualifications, he starts as a copilot at about \$220 a month, and may expect raises every six months to boost this to about \$375. On most lines he buys his own uniforms, thereby slightly reducing his take-home pay.

In his job he is the pilot's assistant and understudy. What he learns and how fast he learns it is up to the first pilot with whom he is assigned. Usually he handles much of the paper work concerning his flights—manifests, progress logs, weather reports. Usually he makes the radio calls concerning traffic, weather and position reports while the pilot listens in on his own headset. Generally he lifts and lowers the landing gear at the pilot's signal, handles the wing and cowl flaps as directed, and flies the airplane at the pilot's discretion.

Meanwhile he is learning airline and company procedures and gathering experience on weather and on scheduled airline flight. By the time he reaches the end of his first year he is eligible to make two steps which he almost always takes.

He may, if he has had enough experience at the controls, pass a Civil Aeronautics Authority examination for a scheduled airline pilot rating. He also becomes eligible to join the Air Line Pilots Association. Almost invariably he does, for 95 per cent of all pilots flying scheduled airlines in the U. S., or flying the U. S. flag on world commercial routes, are members.



ALLIED NEWS-PHOTO

David L. Behncke: "\$15,000 to \$22,500 should be the range of take-home pay"

After he has the highly prized scheduled airline rating, he is eligible for promotion to first pilot, or captain, in airline terminology, a step that depends on the line's need for first pilots, and the recommendation of the first pilot with whom the candidate has flown.

Once he wins promotion to the left-hand seat in the nose of an airliner, the pilot's pay and responsibility rise sharply. He is in command, and is held accountable for the airplane and its load while he sits at the controls. Air sense, or judgment, built up before and since he joined the airline, is his principal guide.

His leaner years of preparation begin to pay off. First pilot base pay

on U. S. scheduled airlines averages about \$9000 a year. But that is a starting point. Added are extra payments for seniority, night flying, flight over rough or mountainous terrain, weather that requires flight by instruments, and a share of the productivity of the load carried.

Many extra payments

THUS the late afternoon flight you take from Chicago to Washington, for example, may include all these elements in the pilot's pay—base plus seniority across level, day-lighted Indiana; terrain and night bonuses over the mountains in Pennsylvania, plus some cumulus clouds that require flight on instruments—without visual reference to the ground. And the entire flight would take only about three hours. Through these increments the first pilots' pay average rises to a level near the \$12,000 mark.

Landings on foreign soil bring another boost, as do overocean flights, so that the average income for first pilots on the world routes is about \$14,000 annually. Which makes the world routes the best, from the standpoint of return.

Route selections are based on seniority. Thus if a pilot high on his company's list chooses, he may select a foreign run, or take a domestic route that conforms better to the pattern of living he prefers.

His line of promotion and higher pay (which is included in the foregoing averages) is toward the positions of check pilot, in which he rides with and checks the proficiency of other pilots, and chief pilot, an executive post.

Under proposals made recently to the airlines by the Air Line Pilots Association, take-home pay for domestic routes would range from \$15,000 to \$18,000 a year, and foreign routes would pay a top of \$22,500.

A Civil Aeronautics Authority regulation limits pilot flying hours to 100 a month on scheduled passenger routes, as a precaution against excessive fatigue. But the airlines and the union have held down the average to 85. Under the union's newest proposal the limit would be set at 75.

Pilots probably spend twice their flying hours on the job. They report to their terminals an hour before takeoff time to check weather,

make flight plans, check service and loading. They make and turn in reports at the completion of their flights. Each month they maintain proficiency in ground devices that simulate instrument flight, and undergo physical examinations.

Meetings are by district

TO overcome the difficulty of conducting a union whose members are scattered along air routes around the world, the Air Line Pilots Association is broken down into district councils, which hold monthly meetings, and which send representatives to the annual union-wide session.

In between, David L. Behncke operates the union from his Chicago headquarters, where he has held forth as the association's first and only president.

His main job is negotiating contracts covering the pay, hours, security and working conditions of pilots on all major U. S. scheduled airlines. In the thickness of the present pay envelopes, the limit on their hours, he sees the fruits of his work, the result of his early day admonition: "What we need is to organize."

Pilots pay dues on a sliding scale that averages about \$100 a year for first pilots and \$28 for copilots. This indicates an annual income for the union in the neighborhood of \$250,000, since it has nearly 5,000 members, three-quarters of whom are active.

Behncke himself doesn't get much of that. During the first four years of the union's existence he served without pay. By 1935 its growth indicated that it needed and would support a full-time president. Behncke switched professions from flying to unionizing at \$6,000 a year. Several years later he was raised to \$12,000, a figure which indicates that Behncke himself will have some personal negotiating to do if he succeeds in negotiating contracts that might take some of his members over the \$20,000 mark.

Despite pay scales above average professional income and hours that are the unreachable dreams of doctors, Behncke maintains his original stand that pilots need a union, and that its problems are much the same as any other union's problems.

The association was founded under the Railway Labor Act and early in its life it affiliated with the American Federation of Labor, an affiliation still in effect.

"Unionism and organization among workers, while criticized in

many quarters, were born of a definite need," Behncke insists. "And that need was never more natural than in our profession. We didn't organize because we wanted to. We organized because we had to."

The association had its first brush with the airlines in February, 1932, when it was less than a year old. Operations were interrupted for several months.

In 1933 the airline operators announced a revision of pay and flying time schedules. Negotiations averted a stoppage of service by a few minutes. That was the last serious threat of a service interruption, until the recent negotiations brought a strike vote by TWA pilots.

Although Behncke, now 49, is a very familiar figure to the heads of U. S. airlines, his welcome across the negotiation table is somewhat less than open-armed.

High pay for short hours

"DAVE has one principle that guides him in all things," said one official who has been viewing him across bargaining tables for years, "the greatest pay and shortest hours for pilots. He always argues from the point of view that if anything is wrong it cannot be the pilot's fault."

A complaint widespread among the operators is that Behncke, while representing nearly all scheduled airline pilots, insists on bargaining with one company at a time.

His advantage is the obvious one of gathering advantages in individual bargaining sessions, and applying them to others.

In the most recent negotiations a majority of the operators confronted Behncke with a demand for industry-wide bargaining. Behncke declined. A date was set for what the union president insisted was a bargaining session for a single line. The operators insisted it would cover more than a dozen lines represented by a joint committee. On the appointed date Behncke walked into the meeting room, faced the joint committee, and announced:

"I'm here to deal with one outfit. If the rest of you fellows want to look on, that's all right with me. If that one outfit wants all of you to represent it, that's all right with me. But remember, I'm dealing with one, only one."

But the airlines have the approval of the CAB, the Justice Department, and the National Mediation Board to bargain jointly with the pilots' association.

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Reading America's Palm

(Continued from page 40)
voting elders "to do something about it."

The increase in the aged will have many other effects, too.

An unusually large proportion of our people is now in the employable range of 20 to 59 years of age. More jobs have to be found now. But the number of people approaching 20 is much smaller than in former generations, and the number of people passing 59 is much greater than in the past. This, added to the fact that more people over 20 will remain in colleges in the future, will mean a decreasing number of workers until the babies of the present boom reach working age. That large wave of extra workers will then move through the 20-to-59-year age range. When it passes, the number of workers will again decrease.

Elders with time and income

INDUSTRY'S own retirement, benefit and employee relations plans will be greatly affected and undoubtedly liberalized. Elders will have more leisure time, and more assured incomes with which to enjoy it. Many changes in tastes, preferences and needs for goods and services will come. Geriatrics, the study and treatment of the ailments of old age, will be a promising field of medicine for our future doctors.

Recreation and amusement will have to take account of the habits and preferences of the elders. More elders will trend to warmer climates or spend their winters there. They will travel more, both at home and abroad.

Conservatism in politics will probably increase. The pressure for special benefits and increased old-age pensions will be great, particularly as present veterans enter the ranks of the aged.

The rate of growth of our urban population has been slowing up since 1910.

Large cities have practically ceased to grow within their corporate limits, with few and temporary exceptions. Their suburban areas, however, are growing rapidly and will continue to grow. Half of us now live in 140 metropolitan districts made up of cities of over 50,000 population and the adjoining townships. Industry is already beginning to decentralize its factories, with more but smaller factories outside the big cities. This

will continue and will encourage the population to decentralize.

There will be more and better shopping centers and stores in the suburbs. Suburban land values will increase while urban land values will decrease or increase at much slower rates. The cities themselves will have to bear much of the additional tax burdens to furnish new services and facilities made necessary by the increased suburban growth. This will mean additional taxes on stable or decreasing city populations to meet the increased expenditures.

The proportion of our population on farms was standing still before the war at 23.1 per cent. Every basic trend is against a back-to-the-farm movement. In fact, the proportion on farms will probably decrease further. Better methods, better seeds, mechanization, and the wider use of fertilizers make possible vast increases in production on fewer acres and with fewer workers. The standard of living of those who remain on farms will in-

crease if these better methods and means are used. The number of farms is still decreasing, their size increasing.

Prior to the war, half our farms sold nine-tenths of the farm products going into commercial channels. The other half were largely subsistence farms with little purchasing power.

The proportion of our labor force employed in trade, transportation and the service "industries" has been increasing for more than 100 years. These fields, excluding Government, accounted for 45.8 per cent of our civilian employed persons in 1940. Manufacturing em-

ployed 23.4 per cent, while agriculture, foresteries and fisheries combined accounted for only 18.8 per cent.

Americans are always on the move. Where are they going? The pattern of today was well established between 1935 and 1940. The West Coast states were big gainers of population, along with Florida. A solid tier of states, from North Dakota to Oklahoma, was the big losing territory.

Migrations will continue

TWO definite mass migrations have taken place in recent years. The first was the "Grapes of Wrath" depression migration in the '30's. The second was the "Grips of War" boom migration of the '40's. The war migration merely continued in directions already established, though the trends were speeded up. The gaining states gained faster. The losing states lost faster, and more states joined the losing column.

Substantial increases in Maryland and Virginia really represent the growth of Washington, which has spilled over District of Columbia boundaries.

To forecast movements of the future the fact must be kept in mind that these patterns of migration are not the result of the war. They will continue.

For example, there is no reason to look for a net reverse migration from the West Coast. New factories, more favorable freight rates, climate and future trade with the Orient are among the factors favoring further growth. By 1950 the population of the Pacific states will probably exceed its war peak numbers by a considerable margin. The trend is a long and basic one.

The West and Southeast will continue to gain, largely at the expense of the North and Northeast.

Here are the metropolitan areas most likely to continue to grow:

Mobile, Ala.; Los Angeles, San Diego and San Francisco, Calif.; Jacksonville, Fla.; Atlanta and Columbus, Ga.; New Orleans, La.; Detroit, Mich.; Jackson, Miss.; Charleston and Columbia, S. C.; and Corpus Christi, Dallas, Galveston and San Antonio, Tex.

Metropolitan communities whose population decreased during the war and which have small prospects of regaining their losses, include the following:

Springfield, Ill.; Boston, Fall River, New Bedford and Worcester, Mass.; Duluth, Minn.; Lincoln, Nebr.; Manchester, N. H.; Albany, Rochester, Schenectady and Troy,



There will be more older people to vote, with obvious results

N. Y.; Toledo, Ohio; Altoona, Lancaster, Pittsburgh, Reading, Scranton and Wilkes-Barre, Pa.; Wheeling, W. Va.; and Superior, Wis.

Note that those with the best prospects are, with the exception of Detroit, in the West and South; those with the poorest prospects are in the North.

In spite of the decline of civilian population, obviously due to the men going away to war, the population in cities of 100,000 or over increased 2.8 per cent, or about a million, between 1940 and 1944. The astonishing fact is that the increase was due almost entirely to migration of women from rural-farm areas. Women were on the move!

Women decreased 11.3 per cent in rural-farm areas but increased 13.1 per cent in cities of over 100,000 and 9.5 per cent in smaller cities. Of this female decrease in rural-farm areas, 665,000 were between 14 and 24 years of age, and 270,000 between 25 and 44 years of age. Those between 14 and 24 years alone represent the equivalent of a Pittsburgh or a Washington, D. C.

The younger women who went from rural areas to the cities during the war have acquired many new wants, preferences, tastes, standards and viewpoints which will greatly affect their future standards of living and their entire outlook on life. They want and will continue to want a lot of things they never used to have.

These conditions, changes and trends are not all favorable. Most of them are. They are normal for great industrial nations at our stage of development. Our immediate future will be mixed, spotty and well sprinkled with irritating problems, but not insurmountable ones. An understanding of our past and present and the trends that will influence our future enables us to look forward with confidence. No other nation is so greatly favored in so many ways.

Our long run prospects are excellent.

Gauge of hardness

FOR parts too small to be production-tested by mechanical hardness gauges, General Electric Co., West Lynn, Mass. has developed a magnetic hardness tester. The device handles quickly and accurately such objects as instrument and watch pivots and shafts, and will spot-check hardness in large sheets or lengths of wire without damaging the pieces.

—J. J. BERLINER

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Can the World Pay Us Back?

(Continued from page 38)
factures and manufactures which are also produced in the United States.

Nor is it clear to what extent growing prosperity in the United States will serve to increase such prominent imports as coffee, second on the list of purchases abroad in 1939, and sugar which ranked third. They will certainly rise, but how soon will the saturation point be reached?

Estimate of our imports

TAKING the various uncertainties into account as far as possible, the Tariff Commission, in its elaborate report on postwar imports and domestic production of major commodities, submitted to the Senate last year, comes to the following conclusions:

On the basis of a national income of \$136,999,000,000, the con-

on their own assumption of a \$165,000,000,000 national income, if—and this *if* is decisive—the President were able to make full use of the recently extended Reciprocal Trade Agreements Act which gives him discretion to lower U. S. tariffs by 50 per cent.

Now let us look at the world's second source of dollar supplies: its possible net sale of "services" to the United States.

During the average year of the interwar period, the world earned from this country net surpluses of \$35,000,000 on shipping and freight, and of \$210,000,000 on foreign travel.

Add to this a net outflow from the United States of "personal remittances" and of \$60,000,000 on charitable and institutional contributions to foreign countries, and you will realize that these total "invisible imports" of the United States, amounting to \$561,000,000

item in the world's business, this country is bound to play the leading role and to realize a sizable net income from abroad.

It is safe to predict, therefore, that the United States' sea and air transportation accounts will from now on result in a surplus of "invisible exports" instead of "invisible imports."

Tourist trade to revive slowly

AMERICANS will once more stream abroad on their vacations and their total expenses on foreign travel may eventually rise in proportion to the growth of the national income. But this will take time since European and Asiatic countries will not recover sufficiently during the next few years to attract a maximum number of American tourists in search of peaceful, cheap and comfortable holidays.

Charity, both private and national, will probably continue to account for a large outflow of dollars, with cash contributions to UNRRA and the Red Cross as the main features.

The world's over-all annual dollar income from sources other than American loans and gold purchases can, therefore, scarcely be expected to be much larger by the early 1950's than between five and six billion dollars. And these figures would presume a very prosperous United States.

Not all this dollar supply, however, could be devoted to the purchase of American export goods.

The world will have to use a good part of its current dollar income for the service and redemption of American loans of prewar, war and postwar origin and for the return to the United States of profits from some seven billion dollars' worth of American-owned enterprises abroad.

The world's net payments to the United States on loan service, interest and dividends required on the average \$446,000,000 a year even during the interwar period when most of the World War I debts and so many of the newly granted loans went into default.

This means that the prewar "invisible exports" of the United States were nearly large enough to offset the world's net dollar income from American "invisible imports"; while this country's average \$916,000,000 excess of exports over imports in merchandise trade had to be financed by American gold purchases and loans.

Most of the Lend-Lease settlements have not yet been made. The

Much of our foreign loans finances purchases in U. S.



servative figure which the Senate asked the Tariff Commission to assume, total annual imports could be expected to be about \$4,000,000,000 in the early 1950's, against imports of \$2,300,000,000 in 1939. Even a 50 per cent reduction of all U. S. tariffs would not raise imports to more than about \$5,000,000,000 a year.

Accepting the well-reasoned Tariff Commission estimate for lack of any better guess, the \$6,000,000,000 import goal of the optimists in government and business circles would not seem unjustified

annually, contributed a good deal to the dollar funds with which the world financed its purchases of American export goods.

What will be the trend of "invisible imports" in the future?

This time the United States seems determined to keep and run a good part of another huge merchant fleet that had to be built during the war, and to achieve the aim of carrying at least one-half of its exports and imports in American bottoms.

In international commercial aviation, due to become a major

status of many other old loans and of some direct American investments abroad is still uncertain. It is too early to estimate the effect of the Bretton Woods arrangements on the international flow of capital. And it is impossible even to guess the total amount of fresh American lending that will take place during the next few years.

There remains another question: will the United States Treasury once more be ready to accept large quantities of foreign gold in payment for American exports?

During the interwar period, the Treasury sterilized at Fort Knox an annual average of \$515,000,000 worth of foreign gold, a total of nearly \$11,000,000,000, or the equivalent of 56 per cent of the United States' "favorable" balance in merchandise trade.

Gold will again be offered in large quantities. World production continues fairly high. Valued at the Treasury's buying price for domestic gold, it amounted to \$800,000,000 in 1944; and 95 per cent of it was produced outside the United States by countries which will be eager to transform the metal into American goods.

The same use will be sought for a good part of the outside world's gold stocks which, including a "guesstimate" of Russia's undeclared holdings, may total around \$15,000,000,000.

Our exports handicapped

THE few billion dollars of liquid assets which foreign countries are holding in the United States will have to be accepted in payment for purchases of American goods during the next few years. But it is open to question whether the buying of foreign gold with American commodities will once more be regarded profitable by Washington.

It follows from all this that annual American exports of the magnitude of \$10,000,000,000 could be achieved only if additional purchasing power to the tune of several billion dollars a year were to be provided to foreign countries by larger loans than the world could hope to repay either in goods or in services.

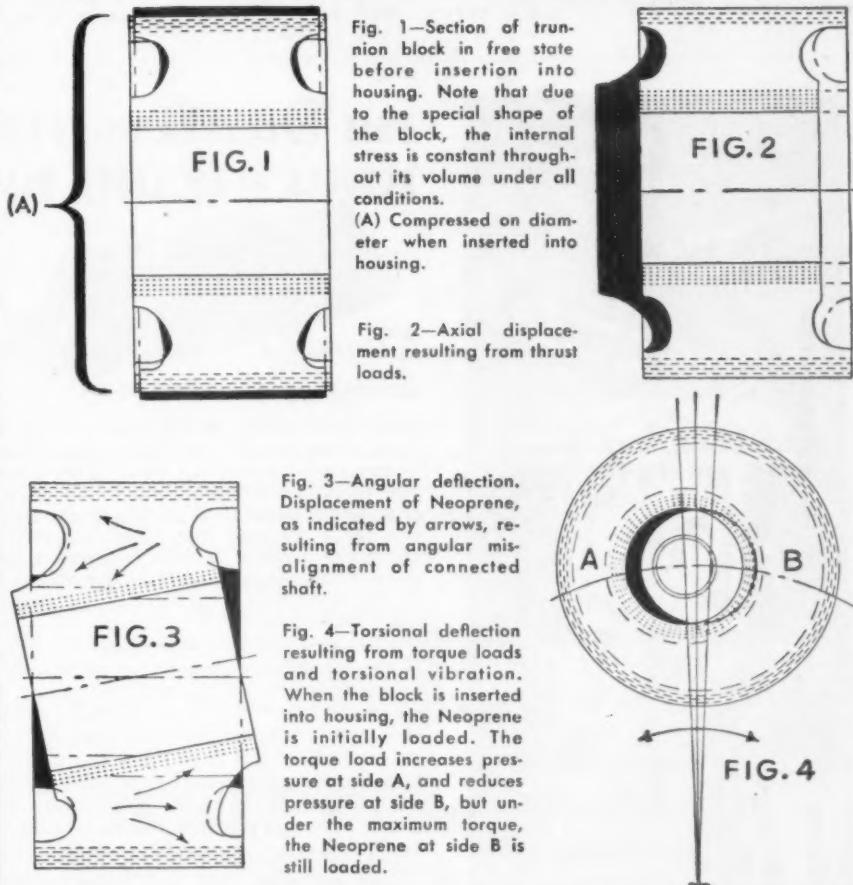
If this result of a rough survey of realities dissatisfies you, and you feel—as many advocates of world-peace-through-world-prosperity do—that something should be done to provide for larger American exports and for larger American loans than it seems at present possible, here is your alternative:

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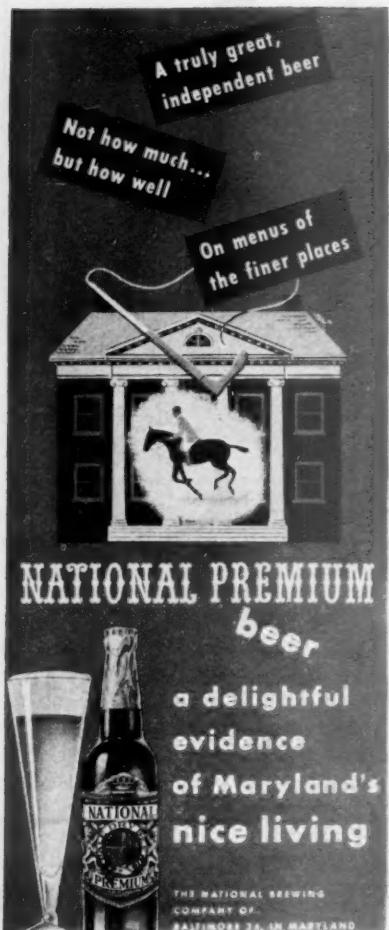


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can people agree to radical reductions of the United States' protective tariff rates.

Make the American economy reorganize along the lines of a fuller international division of labor. Shut down certain farms, manufacturing enterprises and entire subbranches of industry which produce less cheaply or less efficiently than their foreign competitors; and absorb the manpower and machinery, the capital and the managerial skill of such victims of a wave of drastic rationalization into the most efficient branches of American production, which could then increase their sales at home and abroad to everybody's long-term advantage.

But first of all, make the world politically safe for a fuller international division of labor and for genuine economic cooperation of a permanent character.

Radio Telephones for Taxicabs

PHILADELPHIA'S Yellow Cab Company recently initiated a series of tests to determine the feasibility of two-way radio communications for a fleet of taxicabs. The tests got under way with the installation of a receiving and transmitting unit on the outskirts of the central district, and the placing of mobile equipment in one of the company's cabs. This first step is to be followed by the installation of similar mobile equipment in cars driven by the Yellow Cab's street supervisors and finally in about 50 cabs of the fleet, which will be available for emergencies.

Developed and designed by RCA Victor Division of Radio Corporation of America, these high frequency radios are rated to cover a radius of about 30 miles. They are designed to eliminate the "blind spots" and "shadows" which frequently interfere with mobile communications in downtown areas when lower frequencies are used.

The system, when placed in full operation, will establish direct and constant communications between the dispatcher's office, in direct contact by telephone with the radio station, and individual cabs. A dial system will enable the dispatcher to call any cab. When he dials a particular cab's number, a bell will ring in that cab alone. To call the dispatcher the driver will have only to push a button and pick up his hand set.

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RAPID, accurate selection of paint to match or blend with any color is now possible. The Nu-Hue Custom Color System, developed by the Martin-Senour Co., offers 1,000 tints, tones and shades, covering the entire color spectrum in even steps. This does away with experimentation in paint mixing.

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Backbone of the Custom Color System are six selected hues: red, yellow, orange, purple, blue and green, each blended for easy stepping down to the various intermediate hues.



Colors are selected from a directory of paint samples

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Two Bids for World Leadership

(Continued from page 62)

The people vote but the rulers tell them how and they obey—or else.

The sincere Communist has one goal whether in a club, trade union, government or world organization. Even the CIO, which welcomes their picket line energy and aggressiveness, has learned this. A missionary to the heathen speaks the language of the tribe, adopts their garb and observes their customs but does not neglect his mission to convert them to his way of life, starting with the chief and warriors. The Communist's mission is set forth in the writing of his prophets—Marx, Lenin and Stalin.

Lenin's instructions for trade union work (at that time, Communism was not as territorially and politically ambitious) is the manual for Communist Party participation in any organization.

"To carry on Communist activity at any cost," he wrote, "it is necessary to penetrate into the trade unions, to remain in them, to counteract the methods of reactionary leaders, to make any sacrifice, to resort to every possible subterfuge, trick and illegal device."

He was not lacking in prophecy when he added:

"A strong revolutionary movement will flare up but we cannot know now whether in the first or second imperialist war between the great nations, whether during or after it. It is our absolute duty systematically and unflinchingly to work in that particular direction."

This means that a Communist—in world affairs, the Soviet Union—must be a joiner of governments and world organizations but, though an occasional compromise may be expedient, it must never relax its efforts to attain control.

The Soviet Union is not the only nation which believes that anything it can get away with is justifiable. Its record of broken treaties, including agreements with the United States when our material and military aid was needed, is as long as any.

Moscow made big demands

IT HAS exacted heavy reparations and unilateral trade agreements from Balkan and Central European countries. Future trade agreements of these countries with other countries must be channeled through Moscow. It is making similar demands on Italy for itself and selected satellites. Red armies gar-

rison the countries. Moscow boycotts or bolts international conferences if they do not suit its purposes.

To gain further territorial demands—at least eight are in Europe alone—it has blocked the treaties with Italy, Finland, Hungary, Rumania and Bulgaria which were to be signed May 1. China does not discuss or sign any of these treaties. The United States does not sign with Finland, USSR and Britain sign all of them and France signs only the one with Italy. Eighteen more of the 51 nations in UN are granted the privilege of witnessing them.

By insisting on a veto right for each of the five permanent powers in the security council, USSR integrated a slightly diffused form of its totalitarian system in UN. Though frequently a recalcitrant member, USSR is part of the organization which most people trust as the only hope for a peaceful and reasonably harmonious world.

USSR's delegate may stall for time or fade out of meetings but two potent actualities, neither based on military might, prevent Russia from deserting UN.

The backbone of that country's appeal to other nations and other people over the years has been that it and the Communist party are the defenders of a better life for the weak and oppressed. As long as the world views UN as the sole assurance against the horrors of another war, USSR can continue in its chosen role only by remaining in the organization. It is welded to UN by its own propaganda. And as its popularity and salesmanship is built on that propaganda, USSR is extremely sensitive and responsive to world opinion.

The other possibility is that smaller nations may lose confidence in UN as a just and impartial arbiter of their destinies. USSR would stand alone as the hope of the world. Whether it is elevated to that not unwelcome pedestal depends almost entirely on Britain and the United States, the others in the trio which dominates UN. Britain, with its colonial record, is not the ideal of weaker nations. The once proud reputation of the United States as freedom's shining knight is badly tarnished but it can be polished again.

Participation of USSR in UN's occasionally factual debates has been more cantankerous than conciliatory. It insists on having its own way and balks at compromise.

Alternate sulking and diplomatic oratory follow the playground pattern, "You're another!" In too many instances, its opponents were in the position of the pot calling the kettle black.

To protests against the Red army in Iran, USSR objected to British troops in Java. Communist minorities in Iceland and Cuba needled the United States about its military bases in those countries. As to Moscow suzerainty over Balkan countries, how about our Monroe Doctrine? By ignoring agreements which Moscow broke and those which other nations kept, the parallels were many. USSR played all stops in its symphony as champion of the weak—except where its own interests were involved.

Freedom and justice for all

WITH this lineup in the world arena, the United States cannot continue as the tail of any nation's wobbly kite. To recover the respect and confidence of smaller nations, it must return to its traditional policy of freedom and justice for all people, regardless of size, wealth or military strength. Our people cherish this unselfish policy but their ship of state seems drifting on uncharted seas as if its pilot did not know where he is going or how to get there.

Our hippopotamus-in-a-duckpond diplomacy in Argentina is the latest exhibit of childish misbehavior. While criticising USSR for more subtle interference in Balkan elections, we attempt to bull through an election, regardless of the people's wishes for their own country. Any child who has read history knows that a self-respecting democracy will elect a candidate opposed by a powerful foreign nation. To all Latin America, the United States again became the strange and domineering colossus of the North, after a decade of good neighbor policy costing hundreds of millions.

We did not let our scolding interfere with trade—the dollar diplomacy which Latins hate. Airplanes, machinery and 30,000 automobile tires were shipped to Argentina. Though the new administration is anti-Communist, USSR is sending a trade mission to capitalize on the unpopularity of the United States.

Possibly instead of plunging Spain into a civil war, now being urged in UN, we will let USSR carry on alone in ousting Franco, the No. 1 bad boy on the Communist index.

When it leaves other countries, which it could rule by force, free to select their own governments, no high pressure propaganda is

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needed to sell the United States to the rest of the world. Colony-hungry empires may sneer at such an unselfish policy but smaller nations do not. Cuba, the Philippines and others are on the record. Leaders in Puerto Rico are free to agitate for independence. If other nations controlled, they would be exiled, imprisoned or shot.

Where our record spoke

IN THE Philippines, neither American-trained agitators during the campaign nor troops at the polling places were needed to elect a government friendly to the United States. No Filipino party dreamed of making that an issue. Our record spoke for itself. Procedure is entirely different when "friendly" governments are elected in Soviet spheres of influence.

The United States, on its side, has other powerful arguments in world affairs. They are relief supplies and loans. A nation may become troublesome after it gets the cash but we should have more than promises before handing it over.

The same precautions are needed in the distribution of relief, now so lax that it can actually be used as a weapon against the United States, which contributes more than 70 per cent of the supplies.

The Red army is between 4,000,000 and 15,000,000 men. All information is secret in USSR; military information, top secret. Stalin says the Red army will not be reduced, and military instruction now starts for children in the fourth grade. No outside menace justifies such an army.

What will surprise Americans is that, indirectly through UNRRA, we are feeding not only a substantial part of this army but also Ukraine and White Russia, two nominal republics of USSR. Russia also wants a loan from the United States, a substantial part of which will be wasted on supporting soldiers in idleness.

Though USSR protests that it does not have enough food for its own republics, and they are receiving tons from UNRRA, it is selling 500,000 tons of grain to France, 100,000 tons to Finland and 50,000 tons to Czechoslovakia. French Communists stage wide celebrations when a Russian ship arrives. Larger shipments from the United States are received in silence.

According to our figures, Red army strength in Germany is between 1,500,000 and 2,000,000, with another 1,500,000 in the Balkans and Central Europe, chiefly Bulgaria, Rumania, Hungary and Aus-

tria. While these hosts live off the land like a plague of locusts—50,000 of the most fertile acres in Austria have been commandeered for the Red army and according to Poles 10 times as many acres in their country—we are expected to feed starving populations which have been looted of livestock and farm equipment by their so-called liberators.

In Yugoslavia, the Soviet sponsored government has between 350,000 and 1,000,000 men under arms. They are a double drain on the ravished country as they might be working to increase production instead of being supported without working. Their only purpose is to overawe American and British troops guarding the unmarked Italian border. If Americans are massacred, as frequently threatened, we will have helped by providing food for Yugoslavia to maintain its swollen army. UNRRA, in its first year of operation, fed half the country's population as reported by the British head of the organization's food section.

Red satellite armies

THE Moscow-created governments of Bulgaria and Rumania are reported to be mustering armies of 450,000 and 250,000 men. Only a police force of a few thousand is needed by either. The satellite armies, reducing the productive capacity of the hungry countries, will be added to Red army strength. While USSR has some 4,000,000 prisoners of war and probably as many more from occupied countries—all slave labor—to rebuild its economy, these countries are to be starved into submission until their standard of living is as miserable as that of the Soviet.

With such contradictory policies, or lack of policy which leaves the United States a guileless partner in these programs, the opportunity may have passed for the United States to take the world leadership which beckons.

The issue is clear. Will the world follow the democratic model of USA or the totalitarian pattern of USSR?

The weapons of peace will decide—whether other countries have confidence in the sincerity of the United States or in the propaganda promises of the Soviet Union.

Material assistance is an immediate leverage but policies that are fair to all will weigh heavier in the long run. The Soviet Union must bow to world opinion, for winning that is its greatest strength beyond the limited horizon of the Red army.

War's Leftovers Are Moving Slowly

(Continued from page 54)

this time, production should have reached such a level that the ready market for surplus will be gone and competitive conflicts with new production may occur. To force goods on the market under these conditions may mean lower prices and may even result in lessened employment.

"The time to move this material is now," he said, underscoring the "now."

Personnel a big problem

IN HIS survey Mr. Bruce found a shortage of qualified personnel to be one of WAA's most serious problems.

"This personnel problem applies to the Washington office but is particularly critical in the regional offices where the shortage not only involves quantity of people but also quality," he said in his report.

"Under Civil Service regulations it is obviously difficult to attract and hold top-flight personnel for a job acknowledged to be of a temporary nature. There is no over-all panacea for this problem. The administrator is fully aware of the difficulties and is making some progress towards their solution.

"If there could be secured from the Army and Navy and other agencies 40 to 50 top-flight men, experienced in procurement and stock control activities, a great lift would be given to the whole disposal program. However, rather than building up a large staff for many temporary projects, it is believed that outside engineering assistance on a reasonable basis should be utilized wherever feasible to absorb the peak load that must be absorbed in order to carry out promptly such important projects as the installation of simplified administrative procedures, management control methods, and conducting an increased number of site sales."

On pricing Mr. Bruce recommended in general price levels that would move goods, rather than bring the highest possible immediate return, pointing out that plants and equipment in government hands cost money to hold, while in private hands they would be adding to production and in many cases creating government income through tax payments.

He also recognized the difficulties presented by the Surplus Property Act which governs disposal. In

this law Congress provided 20 objectives to be accomplished along with the actual disposal, objectives "as varied as the facets of our national interest."

Under these objectives the disposers of surplus property must utilize normal channels of trade and commerce to the extent consistent with efficient and economic distribution and the promotion of the general objectives of the Act.

They also must effect broad, equitable and wide distribution to consumers at fair prices, to achieve prompt and full utilization of surplus property, to prevent unusual and excessive profits and hoarding, to promote postwar production, avoid dislocation of the economy, foster more secure family-type farming and strengthen the competitive position of small business; afford veterans an opportunity to establish themselves as proprietors of agriculture, business and professional enterprises; establish and develop foreign markets and promote economic relations with other countries, and—among other things—to obtain as nearly as possible fair value for the property.

Complicated priorities

ALSO set up in the law is a system of priorities and preferences giving federal agencies, states and their political subdivisions, veterans, farmers, and small business priority rights. But in most instances these preferences are based on conditions, and often the conditions have been in conflict with other provisions of the Act, or lost in the vastness and complexity of the sale.

Thus veterans have found that certificates issued to them after they had applied for specific types of surplus amounted to little more than search warrants. Their certi-

ficates were good if they could find what they wanted for sale. Half a million veterans' certificates have been issued covering surplus automobiles, and the surplus will not exceed 30,000 cars.

Farmers have found in some instances that their preference meant little in the face of the policy directed by the Act of using normal channels of trade, rather than making direct unit sales.

"We are so wrapping it up in rules, regulations, priorities, preferences and what-nots," James E. Scott, a Budget Bureau official once declared, "that the property will be here after our civilian economy gets back to work, and we can take it out and dump it in the ocean somewhere."

Many agencies involved

ADDING to the complexities of the many-purpose, many-preference character of the job outlined by the Surplus Property Act were the many government agencies participating in surplus sales before the consolidation under WAA.

It was before this consolidation that Perry E. Holder, president of the Colorado Fuel and Iron Corporation, told why his company lost interest in purchasing the surplus \$190,000,000 Geneva steel plant.

"We all felt that although under the Act it might be done, practically it could not be done," he said. It had to go through six or seven departments before you could get it approved.

"It was impossible to deal with six or seven parties."

Another difficulty encountered often by surplus sales authorities and the public alike is the condition of surplus goods.

"Reports from owning agencies declaring property surplus are not always reliable," General Gregory said. "For example, a sales program was prepared for what was declared surplus as 50,000 rolls of poultry netting. Then it was discovered that much of the netting had been stored out of doors and was so rusty as to make sale problematical. Later still it was discovered that over half the original quantity of netting was actually camouflage netting, not salable because of the cost of removing the camouflage. The sales project was cancelled."

Among purchasers, complaints often arise on discovery of the fact that surplus property generally is measured in terms of cost, not the hoped-for bargain rate. Thus a million dollars worth of goods



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may be worth considerably less than that on the day of sale.

A still greater complaint concerning devaluation arose from two Navy fliers forced by weather to land at an Army field engaged principally in reducing to scrap aluminum aircraft classified as not salable. The storm persisted, and the two Navy men tied down their plane and spent the night. The next day they couldn't find their plane. You're right—a check proved it had been reduced to scrap earlier that morning.

Scraping makes a surplus

WAA estimates its return from scrap of broken up aircraft at slightly more than ten per cent of original cost of the planes. The practice has been called in official reports one of "creating a mine above ground." Since there is no shortage of secondary aluminum in sight, the practice also creates a secondary surplus problem—that of getting rid of the scrap. A distinct advantage, however, is the reduction in the cost of storing surplus planes, a cost that has exceeded a million dollars a year.

Another secondary problem arose concerning the sale of pigeons. When 15,000 carrier pigeons were declared surplus the Army, mindful of the job it had collecting them early in the war, suggested that the birds be distributed to pigeon clubs on a geographical basis. Conferences were held, maps studied, allocations finally made. Officials breathed a sigh of relief as the 15,000th pigeon was shipped off. But their relief was short lived. They learned that pigeons, like rabbits, reproduce rapidly. They still had 15,000 surplus pigeons.

In making his survey Mr. Bruce found that many of the complaints directed at surplus disposal authorities are based on misunderstanding. He advised a greater use of public statements, radio talks and other ways of disseminating information to keep the public informed of amounts, condition and prices of surplus goods, and the times and places of sales.

"There are widely circulated rumors of crookedness, favoritism, and undue influence in sales of surplus goods," he said in his report. "An operation of the magnitude of WAA, dealing as it does with innumerable items and billions of dollars' worth of property and staffed by an organization hastily recruited, make almost inevitable that there will be instances of dishonesty."

"After examining the facts available, I believe that considering the size of the operation and the size of the organization, instances of corruption are no greater than might be expected.

"When a sale is held with perhaps 100 prospective buyers for each available item, many are dissatisfied and imagine that through some unfair practice they have been deprived of the goods they wanted.

"Records here show that only about one out of every 25 specific complaints submitted, quoting alleged facts and circumstances, proves to be other than a misunderstanding of the circumstances. I understand 12 people so far have been actually convicted for accepting bribes, or for other forms of collusion, which is low considering the almost 30,000 employees and hundreds of thousands of buyers."

Mr. Bruce also found that the Government does not own as surplus anywhere near all the items in demand in the quantities demanded.

"No matter what the administrator may do," he observed, "there still will be criticism and plenty of it."

Problems are changing

"THE chief lesson of the past two years," General Gregory said after looking back over earlier disposal operations, "is that problems change daily and that only dynamic, adaptable programs can successfully cope with the rushing stream of surplus property.

"I feel that the national interest will be best served by disposing of surplus at a faster rate even if, in the process, other objectives in the interest of particular groups or individuals may be subordinated."

But he still is faced with the fact that the surplus inventory lists are short in items that are scarce, such as automobiles and other things the public wants badly, and long in billions of dollars' worth of items designed for war and not wholly suitable for quick conversion.

What are these things worth now? Where is their market? General Gregory has a problem much like the problem related by Fred Crawford, president of Thompson Products, Inc., about Grandpa's store teeth. Two hundred dollars seemed high, but Grandpa needed them. "Five dollars in material and \$195 in labor, but they're worth it," he'd say defiantly. And he was right.

But then Grandpa died.



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Men Who Guard the President

By CARLISLE BARGERON

WHEREVER Harry Truman goes the Secret Service is sure to follow, by a single step. Here the President and his naval aide, then Commodore James Vardaman, walk flanked by agents

THE EXPERIENCE the occupants of the apartment building at 4701 Connecticut Avenue, Washington, had on April 12 a year ago was something they talked about for a long time.

Within 30 minutes or so after the announcement of Mr. Roosevelt's death, before many of them knew about it, United States Secret Service men and policemen were prowling all about the building, inquiring about their antecedents, ordering the back doors locked and putting the freight elevator out of commission.

Husbands returning from work, housewives coming home from shopping tours and children rushing in from play had to stop at the

entrance and prove they lived there.

The new President of the mightiest country in the world lived there with his wife and daughter, unostentatiously, in a five room apartment. The Secret Service was moving to give the family the protection it is charged with by law. All that night they hovered about the building. When the family returned from the White House after Mr. Truman had taken the oath of office they found there was little in the apartment to eat. Mrs. Truman went foraging next door. Two men watched her every step. Mr. Truman was never to be out of the Service's sight as long as he remained President, except when in his private quarters.

Then there is a guard just outside the door. His life ceased to be his own. The following day he was persuaded to move to the government-operated Blair House just across the street from the White House, where he could be protected better and without inconvenience to others.

The protection which we give our Presidents is comparable, though lacking the military pomp, to that given dictators. That which you see in the parades—the bullet proof car, the Secret Service men on the running boards, or walking along on either side, and in the front and rear—is only a small part of it. Weeks of preparation

have gone into what you see. Advance men have been in the city quietly checking up on those who are to come in contact with the President, and every building in which he is to appear. If there is a coal pile nearby it is screened and a guard placed over it. Repairs may be ordered for the building. Every step he is to take in public appearances is traced. Routes are arranged to avoid bridges, viaducts

are assigned to block off the streets around the building he is visiting and to guard the entrances and exits, whether it is a public building or a private residence. A few days after he became President he set off unannounced for his bank to cash a check. He was surrounded by quickly rallying Secret Service men. When he emerged from the institution where the startled bank president had assured him he

them he loves to move around. Seldom does he stay fixed at the head table. On St. Patrick's night he went to the dinner given by the Friendly Sons of St. Patrick where, according to the wags, he was made an honorary Irishman. The dinner was held in a below-street-level dining room of a hotel. When he left the Secret Service men lined the way as he walked out through the kitchen, upstairs on a



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While the late President Roosevelt inspected new and old railroad engines at Washington's Terminal, half a dozen Secret Service men grouped around his car, inspected the crowd

or too many balconies. The advance men confer with the local authorities about the community's bad men and fanatics and they are kept under quiet surveillance. Three men, whose questionable activity on previous occasions had been established by the Secret Service were quickly grabbed when they appeared in the vicinity of the President's party upon the occasion of his Army Day visit to Chicago. They had been under watchful eyes. In big cities such as Chicago and New York, some 7,000 men, including local police and detectives, plus some called in from other cities, are engaged in protecting the President. Together with the Secret Service, they mingle in the crowds. Some are stationed in the upper stories of office buildings, and some on the rooftops.

Even when Mr. Truman goes out in Washington, approximately 100 members of the local police force

would bring the money to the White House in the future, a cordon of policemen, motorcycle and foot, had been assembled. The protection of the President is not confined to attempts at bodily harm, but is planned against the hazards of traffic and well-wishing crowds.

Mr. Truman keeps them busy

WITH such a gregarious and informal man as Mr. Truman, the work of the Secret Service has increased tremendously. There was more intensity of feeling in Mr. Roosevelt's time, but Mr. Truman gets about more and mingles with people. During his first year in office he traveled 28,000 miles, all of which was in this country except his trip to Potsdam. He attends twice as many social functions in Washington as did his predecessor. He will, in fact, use the slightest pretext to get out and mingle with people and among

private elevator and visited the Hibernians. This had all had thorough planning. But he is just as likely to tell his attendants 30 minutes ahead of time that he intends to go up to the Capitol for lunch, or to a friend's house for dinner. This makes the Secret Service men nervous. It might increase their blood pressure if all of those assigned directly to him were not in trim physical condition and in their early or mid-thirties. They carry pistols under their shoulders or on their hips, but it is not recorded they have ever had to use them. If close quarter action is needed they rely upon their physical strength. They are skilled in the art of judo. Their instructor is at the White House with them. On Mr. Roosevelt's trip to Oklahoma City in 1938, a widely known eccentric broke through the police lines and ran toward the President's car. A Secret Service man stepped quickly down from the running

board of the President's car and felled him with one blow to the jaw. The eccentric said later that he only wanted to shine the President's shoes.

Mr. Truman has further added to the Service's worries by his insistence when parading upon slowing down for all school children. His protectors want the procession to move briskly. They finally dissuaded him from his insistence that they observe traffic lights.

Dislikes too much pomp

WHEN he became President, one of the first things he said to the head of the detail, strapping George Drescher was:

"Do what you want to with me, George, but don't make me any more of a stuffed shirt than you have to."

When he flies, and he apparently intends to make greater use of air travel than Mr. Roosevelt ever did, a couple of agents travel in the plane with him. Another plane loaded with a score or more Secret Service men follows. It was considered that he was thoroughly safe when he flew to visit his 90 year old mother on last Christmas Day, when all commercial air traffic was grounded, because he used the unusually equipped

Sacred Cow. The Secret Service men following in a more ordinary plane were not so sure about their own safety.

No harm has ever befallen a President since the Secret Service was charged with his protection after the assassination of McKinley in 1901. It moved in then, more or less on its own, to protect Theodore Roosevelt. Subsequently Congress granted it a specific appropriation for this work, and definitely charged it with the protection of him and his family. It had been organized in 1865 to protect the currency. In 1913 it was charged with the protection of the President-elect. This latter protection, however, is more or less of the bodyguard type with none of the elaborate planning and preparation that goes for the President.

This difference almost cost Mr. Roosevelt his life a few weeks before he took office. Returning to Miami from a fishing trip, he was persuaded by local officials to ride uptown to a park where a crowd had gathered. Only three Secret Service men were with him. He was not the President. Had he been they would have disapproved of the trip because they hadn't been able to prepare for it. As he was preparing to leave the crowd, a man named Giuseppe Zangara

opened fire toward the car. Mayor Anton Cermak of Chicago was killed and five were wounded, one of them a Secret Service man, Robert Clark.

When Lincoln, Garfield and McKinley were assassinated, they were protected only by bodyguards, borrowed from the Washington police force.

There is no Congressional authority for the protection of Vice Presidents, but either the President or the Secretary of the Treasury, under whom the Service directly comes, can assign it to various jobs. Thus Secretary of the Treasury Morgenthau, with apparent foresight, had authorized that agents be assigned to Mr. Truman several months before Mr. Roosevelt's death.

Secret Service a small group

THERE are only a few more than 300 agents in the Service. It also has some 500 uniformed policemen to guard the White House and the various Treasury buildings. All are under the direction of Chief Frank J. Wilson, who has made a career of law enforcement. There are the 300 secret agents, scattered around the country in 14 districts. Another group is on permanent duty at the White House. These are the



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A Secret Service agent accompanies Herbert Hoover, then President, down the Capitol steps. Other agents followed carefully made plans for guarding him during all public appearances

men primarily charged with the protection of the President and his family. One usually accompanies Mrs. Truman and another watches discreetly over daughter Margaret. The man assigned to John Coolidge attended classes with him at Harvard. Mother Truman is protected at her home near Independence, Kansas.

Members of the White House detail stood quietly behind Coolidge in his grief at the deathbed of his younger son; they sought to keep discreetly in the background when Woodrow Wilson wooed Mrs. Galt; they went with Theodore Roosevelt to Panama; with Harding to Alaska; Hoover to South America; with the second Roosevelt to Africa and Teheran; they were at the door of Harding's hotel room in San Francisco when Mrs. Harding rushed out, exclaiming: "For God's sake, get a doctor."

Members of the White House detail knew of Wilson's paralytic stroke long before the public did, so did they know of Franklin D. Roosevelt's health. They know our Presidents more intimately than anybody outside of their families and in the case of at least two, more than the families did.

Experienced men are used

THE members of the detail along with their fellows in the field service must have had at least two years' experience in criminal investigation or a law degree. In the past the majority of them graduated to the Secret Service from police or detective work. George Drescher was assigned to Mr. Truman when he was vice president and was placed in charge of the White House detail when Mr. Truman became President. He is a former Washington policeman, and has more than 20 years in the Secret Service. He was recently replaced by James J. Rowley, a soft-spoken Irishman, who played football at Fordham and got his law degree at St. John's College. He was also a graduate of the FBI. He is in his mid-thirties and his staff is even younger. They look more like collegians than detectives. They are under Civil Service and their salaries, under recent raises, range from \$3,300 to \$7,200 a year. Out of town they get \$6 a day for meals and hotels, \$7 when traveling out of the country. They must equip themselves with clothing for every occasion, including dinner suits and tails. Because of their athletic build they sometimes look better upon formal occasions than the regular guests.

Their assignments are not looked upon as the choice ones of the service. Many of the agents prefer field service which largely consists of running down counterfeits, and the thefts of government checks, a work tremendously increased by war allotment checks.

The glamour of protecting the President wears off after a time, and becomes arduous work. A daily chore is the examination of crank letters that are received at the White House, the overwhelming majority of them harmless, but occasionally a back home investigation results in the sender being confined for mental observation. The veteran Jimmy Sloan, who reputedly made a fortune out of the stock market in the twenties, left the Service, lost the fortune and returned, and who died a few months ago, was said to have known intimately more cranks than any other man in the country. He was a master psychologist with them, kept up a correspondence by way of keeping tabs on them. Mentally deranged women make up a large portion of the offenders. Threatening the President is against the law and will get the offender either in jail, as was the case of the son of a prominent Washingtonian during the war, or in a mental institution.

Whenever a person comes to the White House without an appointment, a Secret Service agent patiently listens to his story and then directs him to the appropriate government office to handle the matter which is troubling him.

It is part of the technique of a Secret Service agent's job not to do anything to cost the President votes. The agents seek to fit in with the mood of the President in dealing with the public. They come to know when he is fed up on shaking hands, and gently but firmly they break it up. In this way they act as his foil.

Railroad travel is costly

ON TRIPS a pilot train precedes the Presidential train, another train follows it. All switches en route are locked, no train is permitted to pass it on another track. Switching in intervening yards is halted. It is an expensive job to transport the President, but the railroads vie for the honor.

A good part of our Navy, our Army and a cost that ran into the hundreds of thousands of dollars attended Mr. Roosevelt's wartime excursions abroad. On his trip by plane to Casablanca, destroyers were like stepping stones all the

way across. Had it come down, even in a crash, a destroyer would have been at its side almost at once.

Because of the military attendance on these trips, the Service was perhaps less apprehensive than when Mr. Roosevelt first went to Hawaii in 1938, because of the large oriental population and because nearly every house in the islands has a balcony. A circuitous route was worked out to avoid as many of the balconies as possible. Then it turned out that the people, of a tradition of kings and queens, were so awed to see a President riding through the streets, they looked on with stony silence. At Hilo the President spoke to a similarly silent crowd in a park. As he concluded, an oriental priest broke through the police lines and rushed to the President's car. The Secret Service ordered the chauffeur, who is one of them, to start moving.

"Hold it," Mr. Roosevelt commanded.

He shook hands with the priest, whereupon some 50 others came running forward and he greeted them. As a result, when he drove off the crowd cheered him for the first time.

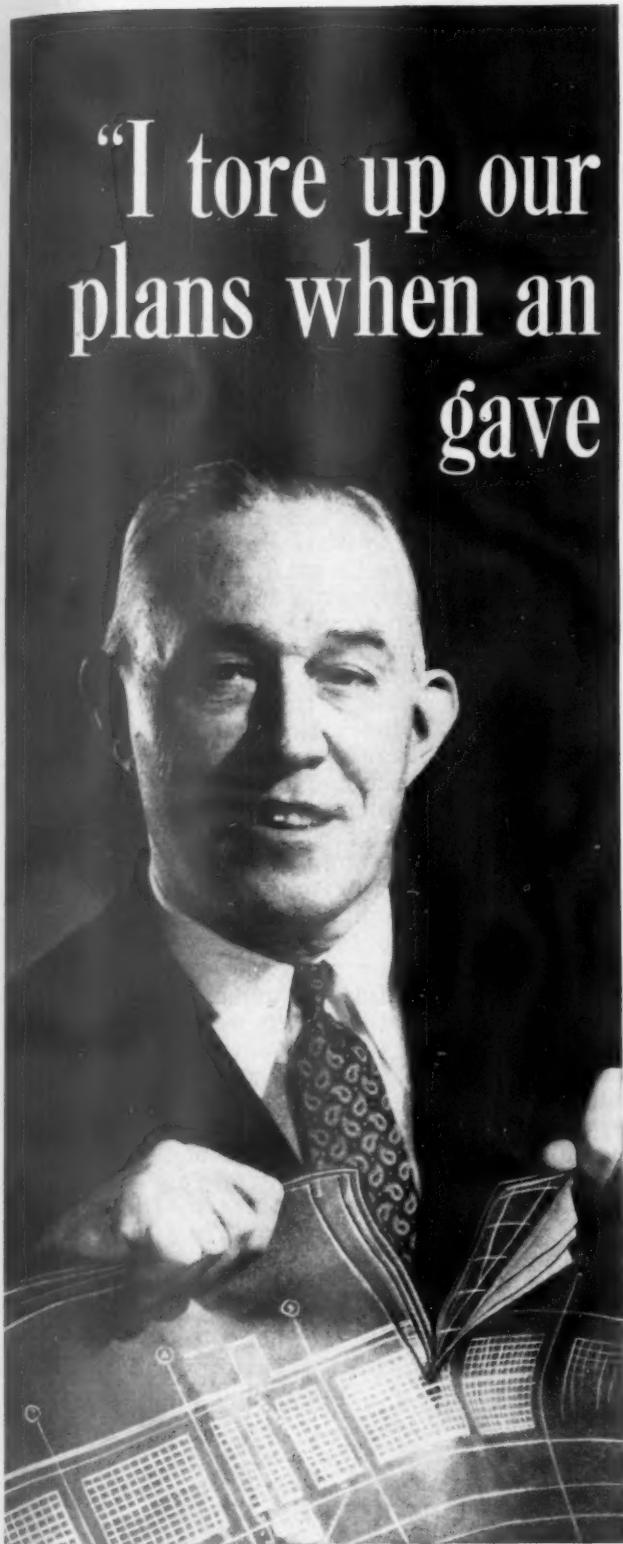
Mr. Roosevelt, who had a highly developed sense of the dramatic, liked to tell of the hectic experience of the Secret Service men. Upon his return from Teheran he jubilantly told of how the Russians had uncorked a plot on the lives of the Big Three. He enjoyed the pageantry, the exhilarated sense of importance.

Informality in trips

WITH President Truman, accompanying newspapermen have been amazed at the informality on such of his trips as that to Caruthersville, Mo., population 6,500. Old cronies, people who had known him as Senator or as Harry Truman, would buttonhole him, take him by the arm, in some instances insisting: "Now, Harry, what you've got to do is this."

But the Secret Service knew these people, had been talking with them, yet were right there on the job if a well-wisher had wrung the Presidential hand too vigorously. The man who is at his side on these occasions laughs just as easily as Mr. Truman, but his eyes never leave the scene.

At a White House press conference a short while ago, one of the newspapermen fainted. The Secret Service had been watching him so closely that they grabbed him before he fell to the floor and lifted



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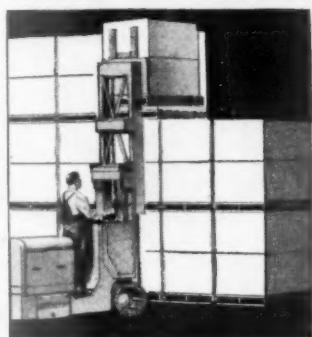
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him from the room with few of the others in attendance knowing anything had happened.

But, notwithstanding the best laid plans there is an occasional slip. In the pre-Pearl Harbor days, a teen-age youngster and his girl walked into the White House one night and into a room where the President's family was watching a motion picture. Mrs. Roosevelt lectured the youngster severely but didn't make enough of an impression to keep him from rushing proudly to the newspapers with the story.

The switching of the Secret Service from the protection of the past President to the new President on Inauguration Day is the equivalent in our country to The King is dead. Long live the King!

Shortly before noon on March 4, 1933, Franklin D. Roosevelt, as President-elect, accompanied by three Secret Service men, quietly left his hotel in downtown Washington and drove to the White House. Around the entrance and inside was a small army of other Secret Service men to give protection to Herbert Hoover, the President.

Mr. Roosevelt had accepted Mr. Hoover's invitation to ride with him to the Capitol and because of this, enjoyed en route the same protection as the man who was still President. At the Capitol Mr. Hoover was literally enveloped by Secret Service men and the Marine Band sounded "Hail to the Chief." When Mr. Roosevelt appeared, scarcely noticed, he was accompanied by only one man of the Service and his son Jimmy.

At precisely 12 o'clock, Mr. Roosevelt took the oath of office. The small army of Secret Service men switched over to him. With one Secret Service man, Mr. Hoover quietly withdrew, went to the Union Station and took a train

for New York, traveling in a drawing room.

Ordinarily, the one Secret Service man would have gone only to the station, proffered his hand and said "Good-bye, Sir," in more or less a manner of "It has been good knowing you." But those were tense days and as purely a courtesy the lone attendant was assigned to him for several weeks.

End of private life

IT IS within those few minutes after 12 o'clock on Inauguration Day, when he has spoken the words "So help me, God," that the lives of Americans who become President are completely changed. Regardless of how informal or friendly he may have been in the past, he is then a man apart. Should he momentarily doze at his desk and try to forget the tremendous importance of his position in the scheme of things, he is likely to be brought back to its realization by the quiet observation of the Secret Service man standing behind him. Inescapably there is lost that ease which close friends feel in each other's presence. A lifelong friend coming for his first call at the White House may become nervous from wondering what to do with his hands. Likely he has stuck them in his pockets, realized he is being watched and nervously yanked them out.

It is within that few minutes after 12, according to many students of psychology, that the new President, regardless of his former state, becomes "big." He takes on the trappings and pageantry of the mightiest office in the world, as they fall away from his predecessor.

It is around the Secret Service that the trappings of our Chiefs of State revolve. Unlike the uniformed pageantry and the tanks and guns that guard the heads of dictator states, it is nevertheless there in all of its quiet impressiveness. There are few people, regardless of how embittered they may be against the President, who do not feel a certain thrill as the Presidential procession moves by. Watch next time and you will see no one of the Secret Service men trying to view the overall scene. Each is looking intently at a prescribed part of it.



"I don't care when you ordered it, there ain't no prefabricated house in the mail for you today"

New Way to Buy on Credit

YOU CAN now buy your new car or even an airplane on the installment plan with a credit card from your bank under a new and novel credit financing system recently instituted by the Buffalo Industrial Bank in cooperation with some 200 retailers of autos and planes, boats and motors, furniture and household appliances, as well as home repair and modernization contractors.

Under this system, called the "Bankway Plan" and designed to simplify installment plan buying, the prospective purchaser goes to the bank, establishes his credit and is issued a credit card which is renewable yearly. He is told just how much installment buying his card entitles him to and is given a directory of the cooperating retailers.

Presentation of his card to one of the participating retailers gives him immediate credit (after a phone call to the bank), with no necessity for any questioning by the retailer. The bank accepts full responsibility for the buyer's credit. The buyer merely signs an installment contract with the retailer who sells the contract to the bank.

Installment payments are made by the buyer directly to the bank, with interest figured at bank-financing rates, and payments are made separately on each installment contract.

As soon as consumers' goods are sufficiently available it is believed that 600 western New York state retailers will be cooperating in the new plan.

"We are the first bank in the country to inaugurate such a plan," says Kenneth R. Reid, vice president in charge of business development. "We expect to see the idea spread. We think customers will like the plan of establishing their credit before they go out to buy." —JOHN WINTERS FLEMING

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NAMEPLATES can now be had on a gummed plastic which can be attached to any clean surface—flat or curved—to form a permanent bond. They are made in various colors and letters by Pennsylvania Plastic Corp., 5025 Liberty Ave., Pittsburgh, Pa.—J. J. BERLINER

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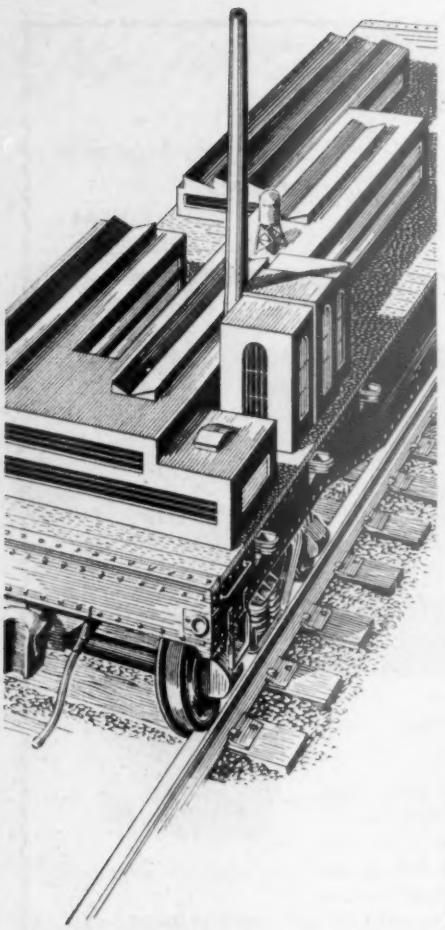
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"I See a Democratic Victory"

(Continued from page 46)

are causing so much commotion in Congress are almost wholly legislative. The country is either indifferent or divided over such things as the indefinite life of OPA, or whether the present system of our armed forces is to be kept or combined under a general Department of Defense.

In regard to the first of these two problems, the industrial organizations bring what pressure they can to take the ceilings off, while the unorganized, but none-the-less numerically superior, consumers have the dread of inflation which is voiced by the Administration.

The second proposition is largely a matter of military discord, with the Army and the Air Forces generally in favor of it and the Navy and Marines as definitely opposed. The average voter accepts the arguments which most appeal to him, or may mirror the views of his congressman.

Little effect on election

IN either event, these disputes are hardly likely to influence the final result of next November's election. On the other hand, as has already been pointed out, your ordinary congressman is more concerned with his own return to Congress than with the passage or rejection of a particular proposal, and will weigh carefully the relative ballot potential of the favor of a local big industry as against what he deduces as the desires of the people of his own district.

Recent events foreshadow the strategy, not only of the coming campaign but of the Presidential race. The choice of Congressman Reece, with a record for stand-patism and isolation, as Republican chairman forecasts that the election will again be a contest between Liberalism and Conservatism.

The Republicans not only turned a cold shoulder on Stassen and the policies he has advocated, but their publicity is being handled by the press agent who issued the reactionary proclamations of the Liberty League—that highly financed anti-Roosevelt body that numbered among its members practically every representative of Big Business. This able advocate's name is Murphy, but a press agent has no politics beyond loyalty to whatever flag he fights under; his

effort is to reflect and popularize the viewpoint of his organization. Lest this comment may sound hypercritical, let me mention that years ago I announced my own membership in the ancient and honorable order of Journalistic Soldiers of Fortune and defined the code that binds that group.

The Democratic theory must be that the indicated attitude of the political foe involves either disgusted absenteeism of the Liberals enrolled as of the GOP, or a flocking to the side in which their ideals are enlisted. How much this theory may be contradicted or minimized with Stassen in the Republican ranks (urging that true Liberalism is only to be looked for with a party in power pledged to elimination of executive dictatorship, which they ascribe to Franklin D. Roosevelt, and a sustaining of such New Dealisms that have virtue of promoting national welfare) we must leave to the uninhibited prophecies of the popular polls.

It is not that I ascribe any particular accuracy in these surveys of popular sentiment. On the contrary, their early forecasts have almost invariably been of such a nature as to prove ridiculous when the election results were announced, though they did climb on the bandwagon when the finish was definitely in view. Cynical people are likely to ascribe these early bulletins of startling Republican gains either to the circumstance that most newspapers using the polls were of that persuasion and naturally welcomed glad tidings, or to the fact that there are intriguing headlines in prognostications of a political revolution, while mere announcements of no change in prospect are drab, inside-page stuff.

Democratic House forecast

SUMMING up the situation, without discounting attribution of wishful thinking on the part of a Democratic propagandist, it seems to me that the most reasonable forecast of next November's polling is that my party will continue to hold the House of Representatives, though possibly with a reduced majority. As to the Senate, anybody with a reasonable education in political lore has only to glance over the list of senators who come up for re-election to know that it is impossible for the Re-

publicans to make sufficient gains materially to alter the situation there.

Obviously the months that elapse between the time this is written and the election may see changes that would affect this survey of the situation. A decrease in economic discord—strikes, etc., for example—would make our outlook still better; a continuation of the strife, or new and graver complications in the international set-up, might make it harder for us.

Rarely, if ever, is it possible to forecast definitely the outcome of an election half a year in advance of the event. Perhaps the most conspicuous modern exception was in the first Roosevelt campaign for the Presidency, though even that was an uncertainty until the nominations had been made, for with a country frightened by the persistence of the great depression which, in accord with all we know of political psychology, was blamed on the then administration, a change was obvious.

Actually the second Roosevelt run was easier to survey, but Democratic Chairman Farley did not venture his historic prophecy of all but two states for Roosevelt until election eve, when he had amassed a report from every district, though the popular polls continued practically until the end insisting that it was a neck-and-neck race.

Victory claimed by both

TO BE sure, each party chief affirms that victory for his side is "in the bag," but that is adherence to tradition; a following out of the theory that expressing a doubt hazards the bandwagon vote which is perhaps the most decisive element in every political contest.

Actually these party chiefs at this campaign stage are weighing the advantages of the other side, and the disturbing conditions of their own situation and are taking the natural steps to emphasize the first of these and to mitigate the second.

While their present activities concern only the coming congressional elections, there is a realization that this is only a curtain raiser for the big show in 1948. In my own party it appears to me that the most promising disturbance among the Republicans is the conflict between the conservatives, who almost invariably dictate the nominations and direct the policies, and the progressive element which seeks to detract from the Democratic popular strength—or,

as they phrase it, Newdealism—by nominations and platforms tending to assure the country that it has nothing to fear in the way of diminishing the gains produced by liberalism by electing a Republican Congress.

There is no decisive majority as between the Republican reactionaries and the Democratic crusaders. In other words, we cannot win unless we are able to annex a considerable amount of Republican, or independent, forward-lookers—and they cannot win without the help of Democratic business-minded voters. Hence the mutual cross-fire of expletives. To our orators and editors, the enemy is the party of moss-backed Silurian monopolists, and to their spokesmen we are a tribe of starry-eyed fanatics, verging on Communism.

Aiming at presidential election

LET me, at this point, inject my individual theory of present Republican strategy. While, of course, both sides are primarily interested in winning the Congress, their ultimate target is the next presidential election.

If the GOP gains the House of Representatives and weakens the Democratic majority in the Senate, I think it will connive in the nomination of Stassen on the theory that he would be the candidate most likely to bring over the requisite group of Democratic Liberals. They might figure that with control of Congress, they could head off any violent Presidential trend to what they call "the Left."

On the other hand, if Congress remains Democratic, they will in 1948 probably plump for one of their old-stripe candidates, Bricker, possibly, or Dewey if the latter is not snowed under in the New York gubernatorial struggle.

There is a theory that politics like economics has a definite cycle. The hitch in this cliché is that nobody knows the duration of the period, or when the desire for change becomes the dominant element in the decision. The Democrats, for example, pretty much maintained control from Andrew Jackson to Abraham Lincoln when the imminence of the war between the states shook them off.

The point today is whether the hypothetical cycle is completed; whether the electorate is willing to shift control to a party that has resisted every social or economic advance and would turn out the party which says, "We can't stand still, and we shall never go back."

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Who's Got Momma's Ear?

(Continued from page 43)

they to go hunting or fishing! Such losses, however, are being reduced now that many coal managements are disposing of their "company" houses and thus permitting all couples to own, improve or build a home more consistent with their ambitions. Nevertheless, in many communities, and especially in the case of a certain race, there is scant possibility of increasing man-hour output until more is done to raise standards which are so low that the local Joneses can be kept up with by means of a work-week of only three or four days.

Without doubt, a nation-wide survey would reveal that, especially since the recent wage-increases and in spite of increased living costs and higher taxes, a shocking number of communities are today in need of some such expedient as was once reported by the manager of a hardwood operation in Central America:

"Because local living standards could be met so easily, we found it helpful to give each year to the leader of our most skilled and most essential group of native workers a highly glamorous piece of dress-goods. Since marriage in the locality was a fairly temporary, common-law, affair, as soon as his woman began to wear this, the wives, so-called, of all the other workers at all levels threatened to leave unless their men could turn on enough additional steam to provide them with something correspondingly helpful to their social standing."

Less to be recommended is the plan of a certain southern contractor who increased his laborers' diligence by regularly arranging a week-end visit by several expert poker-players and crap-shooters.

Wives could raise standards

NEVERTHELESS, it is strange that more employers have not done more to stimulate the wives of their workers to press for higher living standards in the most backward of our working communities.

That more executives have not properly appreciated the wife's importance as a silent but important partner in all industrial relationships is, doubtless, largely due to that lessening of personal contact with the rank-and-file which has been—mistakenly—considered the

unavoidable price of company growth and bigness. But this oversight is all the stranger when that same importance is so frequently demonstrated among a corporation's own highly paid vice presidents. Though seldom publicized, few rifts are more hurtful to managerial teamwork and efficiency, or more difficult to heal, than those which divide top-level officers as soon as their wives group themselves into separate and competing, or even warring, social "sets."

What can Mr. Employer do?

AS THE result of the recent labor crisis, the public is convinced that "wages, hours and working conditions," essential though they are, have failed to include all the deeper satisfactions which we Americans seek everlasting in our daily task. These spring from our inborn hankering to feel ourselves worth while and important. This hankering is vastly more of an individual than a collective mainspring. Nevertheless, it includes our yen "to belong"—to be an important personal part of an important corporate or institutional whole. A big cause of our recent crisis has been the effort of too many labor leaders to destroy the individual's loyalty to the organization which supplies his family's pay-check in order to secure his loyalty to the group which receives his dues.

As indicated, this destructive effort has taken serious account of the individual's wife. It is certainly time that greater effort be directed towards informing and enthusing her about the organization which furnishes her and all the family with the means not simply to a livelihood but also to worth-while living and achievement. Such effort will stress information, recognition and participation by means of such activities as:

1. The plant paper—for telling the wife and family about the company's useful activities, past, present and prospective. Also for gaining her appreciation of the important part played by each individual within the company.

2. Fairly frequent rather than annual or crisis-time reports and letters about the company's financial and operating status and prospects—in language calculated to

interpret and explain to all the family. One company, famous for its morale, is also famous for meetings where, before everybody and his family eat and dance together, the annual report is explained in detail.

3. "Plant Open House"—for showing just what Dad does and what his individual contribution is. Also for meeting his buddies, his foremen and his company's officers—and their wives. (Instead of temporarily lessening output as expected, these affairs usually increase it!)

4. "Inspection parties"—for giving the new models or new products the once-over. Also for giving Dad a chance to show just which part or operation he is responsible for. (Warning: Don't let him break his wife's back or neck by making her get down and get under in order to get the proper view!)

5. Showings of work photos and movies. ("The only trouble with our exhibition of photographs showing our people at their machines was that they were so fingered that they frequently had to be renewed!")

6. Company celebrations of the hundredth or millionth unit produced—with demonstrations of its final use. Too few mechanics have ever seen the final assembly and functioning of parts they've made for years!

7. Company picnics—not too elaborate or costly but aimed above all to give opportunity for officers and other employees and their families to know each other.

8. Official recognition of festivals or anniversaries celebrated by important employee groups of foreign birth or extraction—if only by wearing the appropriate emblem.

9. Encouragement of employee-family groups for Red Cross and, especially in small towns, various other activities including classes in cooking and nutrition.

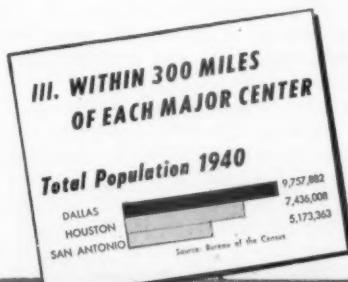
10. Friendly, helpful contact, or at least the expression of sincere concern, during such family crises and "big moments" as come with accident, sickness, death, birth, marriage and, above all, with days or weeks of joblessness.



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This chart is one of many in the report, *The Dallas Southwest*, especially prepared for industrial minds that are keen to take advantage of unusual opportunities—available to executives requesting it on their business letterhead.

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Reading for Pleasure or Profit...

"**My Three Years with Eisenhower**"
By Captain Harry C. Butcher

WHEN Eisenhower was a major, Harry Butcher became his close friend. When Butcher left the Columbia Broadcasting Co., where he was a vice-president, to join the Navy, Eisenhower took him to London as his naval aide. There Butcher began a diary which ran, before war's end, to an eventful million words.

These, though somewhat chastened and cut in "My Three Years with Eisenhower" (Simon and Schuster, 1230 6th Avenue, New York; \$5), are still a sufficiently glittering ore to be mined by future historians. For the ordinary reader, Harry Butcher's book presents, along with the record of great events behind closed doors, a full, informal picture of Eisenhower. This is its best part.

Here the beloved general is drawn as the nation admires him: efficient, unpretentious, warm-hearted despite all the chill of foreign councils; a representative of the great American middle class, as General Ike called himself; a Yank at Oxford. These pages are crowded with small, human anecdotes: Eisenhower shooting a rat in the bathroom at Caserta, Eisenhower singing his favorite song, "One Dozen Roses," Eisenhower outdoing Churchill with his knowledge of history. This is must reading for his admirers.

"**Top Secret**"
By Ralph Ingersoll

THOUGH Ralph Ingersoll edits the newspaper *PM*, "Top Secret" (Harcourt Brace and Co., 383 Madison Avenue, New York 17; \$3) has nothing to do with that. It can be read with pleasure and profit even by those who wouldn't feed *PM* to a goat.

Anyone interested in the recent war will want to appraise Ingersoll's close and consistent analysis of the decisions behind our European strategy. As a major, doing liaison work among the staffs of Bradley, Montgomery and Eisenhower, he saw much. Whether it was enough to make "Top Secret" 100 per cent accurate, expert opinion must finally decide.

To Ingersoll, allied strategy appeared as a compromise, sometimes disastrously late, between the Americans, wanting to defeat Germany, and the British, wanting to head off the Russians first. Rubbing salt, all along, into this lesion in the allied unity was General Montgomery, Ingersoll's villain, whose vanity produced bloody disasters at Caen and Arnhem.

Ingersoll's hero is General Bradley, to whom he credits the crucial breakthrough at St. Lo, the encirclement of the Ruhr, and much else. General Eisen-

hower, in this author's opinion, was little more than a diplomatic tool of the British.

This last, of course, is what has drawn so much wrath down upon "Top Secret." But the Bradley-Eisenhower controversy is only one element in the complex pattern of Ingersoll's war, a fascinating design which will intrigue you for days.

"**Man-eaters of Kumaon**"
By Jim Corbett

FOR THRILLS this tops them all, among tales of the big game hunters. Frank Buck on safari had a tame time, you judge, compared to Jim Corbett, stalking the terror of the Himalayan villages. Corbett was after tigers, but these, being man-eaters, were after him too.

No wonder the natives believed that these were not animals but demons. The Champawat man-eater alone had killed 436 human beings, and the mountain gorges resounded all too often to the screams of some unfortunate who, caught while out gathering dry sticks, was being dragged to a tiger's lair. To break this reign of horror, local authorities called on Corbett, the noted sportsman. With fantastic bravery and a close knowledge of jungle ways, which in itself makes exotic reading, he went forth alone while others shuddered in their houses. Sleeping in trees he became, like Kipling's Kim, a wily creature of the jungle.

Corbett is also a British gentleman, and chivalrous toward his enemy. Tigers, he says, are a noble breed. They turn to man-eating only when, because of wounds or old age, they can no longer pursue the fleet-footed animals which are their natural prey. As man-eaters, however, they give to Corbett's book (Oxford University Press, 114 5th Avenue, New York; \$2) all the grim fascination of a "weird tale."

"**Jobs and Markets**"
By the Research Staff of the Committee for Economic Development

HERE the Committee for Economic Development presents its program to defeat the double menace, inflation and depression, making clear why this cannot be left to chance.

A strictly business group, the Committee urges continuation of price control until June 30, 1947. It is worth reading "Jobs and Markets" (McGraw-Hill Book Co., 330 West 42nd Street, New York 18; \$1.60) to see why. After next June, these authors feel, taxes (kept until then at present levels) should be used to stabilize the economy. Provided with "built-in flexibility" under new legislation, taxes should be quickly

increased whenever inflation threatens and demand is too great, quickly reduced when demand flags and depression is the danger.

The Committee suggests other devices, in case of inflation, to prevent a dangerous increase of the cash supply: ways to discourage the banks from selling their government bonds. Given these few measures, the book concludes, private enterprise can prosper permanently without government interference.

"**The Concept of the Corporation**"
By Peter F. Drucker

LIKE IT or not, says Peter F. Drucker, "the large corporation is the representative social institution of our time." Its methods are indispensable to all of us; its values, like a lens, shape the world we see. In "The Concept of the Corporation" (John Day Co., 2 West 45th Street, New York 19; \$3), Drucker approaches his vast subject from an unfamiliar point of view, discussing not only economics and efficiency but also the effect of the corporation on concrete human lives.

His example is General Motors. Like so many, he admires the giant. He rejects its antagonist, the labor movement, as "negative." But this author is not, like James Truslow Adams in his recent book on the same subject, a mere cheering section. His description of how GM works—including lots of interesting details, especially on dealer relations—is subtler than Adams' and not uncritical.

Fundamentally, Drucker says, GM has become a vast state. And this immense "federal union," with many divisions, is more than the sum of men and machines which it includes. The organization has a miraculous life of its own, making possible those wartime "miracles" of production. But that life often sucks its vitality from the lives of human beings. The average GM worker, with no interest in the corporation as a whole, unacquainted with the product he helps make, lacks any vitalizing purpose.

We must find ways to "humanize" the big corporation. The author suggests using production techniques, developed during the war, which allow single workers to complete whole products. So, avoiding the frustration of the assembly line, they could gain a sense of achievement and self-realization.

"**Blood Is a Beggar**"
By Thomas Kyd

A FOUR-STAR production, introducing Thomas Kyd, an ex-college professor under an alias, whose crisp and clever, fast and funny first book should elect him this year's laureate among the murder-makers. "Blood Is a Beggar" (J. B. Lippincott Co., 277 South 6th Street, Philadelphia; \$2) would rank, for its deft and astounding plot alone, as the tip-top mystery of almost any season. Crack this perfect puzzle and you win a prize.

Sam Phelan, tough guy, ex-pugilist and boys' club hero, detects the assassin of old Professor Biddler—assisted (but at what a price!) by the professor's delicious secretary.—BART BARBER.

Aside Lines



By CHARLES W. LAWRENCE

SEVERAL of our largest apparel mills are shifting their entire output to heavy auto fabric. Lady Godiva's next appearance will be in a new car.

★ ★ ★

THE Foreign Policy Association finds that the United States is the only big nation eager to lift international trade barriers. Evidently the kind of free trade the other countries like is lend-lease.

★ ★ ★

THE United Airlines reports that 69 per cent of its passengers want cocktails before their dinners aboard planes. The other 31 per cent feel that they are already higher than a kite.

★ ★ ★

THE British fuel and power advisory council has inaugurated a campaign to sell the English on the advantages of central heating, and hopes to do the job in 30 years. That evidently is the minimum time needed to convince an English landlord that humans can survive temperatures up to 72 degrees.

★ ★ ★

JUST as hop growers were about to plant 10 per cent greater acreage, the grain conservation program made necessary a drastic reduction in beer production. The growers—you guessed it—are hopping mad.

★ ★ ★

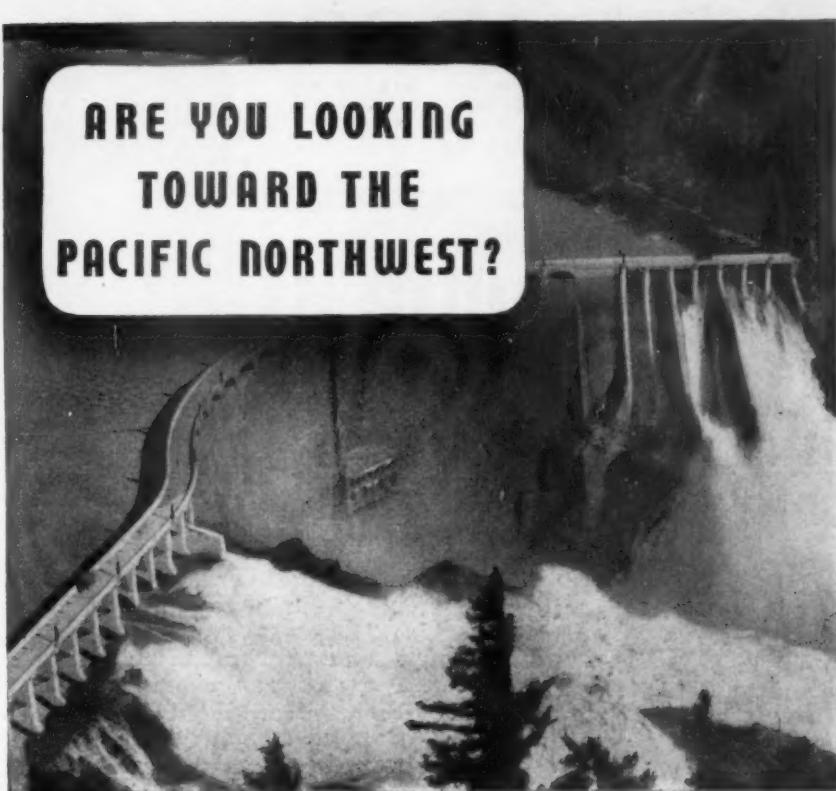
THE American farmer this year is asked to produce more food with less labor, equipment and seed. To make matters worse, his congressman threatens to spend the summer out there sitting on the fence.

★ ★ ★

WASHINGTON observers believe there is a good chance of tax reductions in 1947. That will be one year further away from the war and one year nearer the presidential election.



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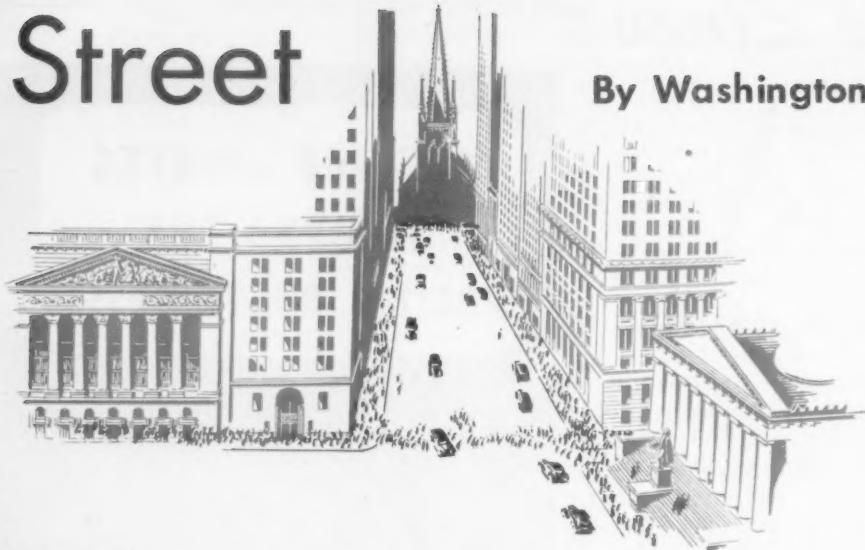
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LAST year Allied Chemical's sales were \$267,594,239. The annual report of this, perhaps the most individualistic of companies, tells where these dollars went in terminology adapted to the Allied conception that "stockholders of an industrial corporation combine their savings in a cooperative undertaking to bring together the tools of production, natural resources and human energy for the purpose of producing goods and services for customers." To wit:

The cost of goods and services bought from others	\$153,546,082
The cost of human energy	62,708,811
The cost of tools wearing out	17,729,303
The cost of payments ordered by Government	17,844,893
The cost of using the tools	15,765,146

The last figure of course represents what most firms would grossly call net profit—swelled in Allied's case by another \$3,148,459 "other income" for which item no nomenclature has apparently been devised although we assume it could be called "rent received for dollars not yet requisitioned by the tool owners."

* * * * *

SEC's dilemma

IT IS against the law to sell a new security, or offer it for sale, until it has been registered with the SEC and until the buyer has received a prospectus on the issue. Naturally, when this law (Securities Act of 1933) was passed there were the usual lamentations in Our Street—especially among those who underwrite new issues. But that was to be expected. A broker who does not groan at every SEC move is as abnormal as a G.I. Joe who finds the Army food superlative. Actually, few people in Wall Street did not

see in this set-up a welcome instrumentality to end the sale of shaky new securities at stout prices.

The first difficulty with this seemingly simple law was that Peter Public was loath to take the time to read the prospectus. Never a simple document, the prospectus waxed fatter and fatter as a long series of learned counsels added additional data here and there and subsequent counsels never dared delete anything on the theory that "If Joe put that in his prospectus he must have had a reason so I'll put it in mine." But that did not utterly destroy the value of the prospectus. The ultimate buyers may not read them, but conscientious people handling other people's money and advising other people do read and use them.

Yet this simple law, one of the great reasons for the SEC, has failed miserably in its purpose. The nadir was perhaps reached this year when a reputable firm in New York City was suspended for ten days upon the SEC's allegation that the firm had taken orders in the to-be-issued shares of the new Higgins boat company not only before they were registered but actually before the Company was incorporated.

Perhaps oversimplifying a complex and technical problem, it is fair to say the new issue law was impracticable in the beginning and hopelessly so in the present sellers' market for new issues. Many underwriting houses, knowing they had a big commitment in the making, would proceed to line up retail houses—"nothing definite of course, just give us an indication of what you might want." The retail houses would line up customers—"of course we cannot offer it for

sale until it is registered and you have the prospectus, but what do you think you might want?"

These "indications" were technically not binding, although the firm or individual who welshe'd might be left off the list on the next good issue. The chief sufferers from this practice were not the buyers but those honest souls who waited until a new issue was registered, then sent for a prospectus, and were perennially surprised at learning "it went out the window the moment we released it."

In recent months the new issue market has been phenomenal, with many going to an immediate premium. The first Kaiser-Frazer issue was brought out at \$10 and was promptly \$12; Regal Shoe came out at \$6 and in a couple of hours sold at \$11. As a result buyers have not desired the protection the SEC affords them—as soon as they hear of a new issue they call their broker and ask him to try to get some. He calls the house of issue and gives an "indication." Some of the "joy-riders" are out at a good profit even before the mailman delivers their prospectus.

I cannot believe Our Street is at all culpable in this breakdown of at least the intentions of the law. I am told that there is some sort of "black market" in priorities for new automobiles. If the OPA passed a law that no dealer could enter an order for a car until it was on the floor ready to roll would the practice stop? If a prudent man knows that, in about a month, he is reasonably sure to have several millions of dollars of stock for sale would he not be expected to make at least a teeny inquiry into the receptivity for it?

Don't know the answers—wish I

did. It just seems that a fine principle in theory is not working in practice because the people it was designed to protect do not want protection. Once I saw a law book that had belonged to John Jay, our first Chief Justice. The page I opened to was a dissertation on laws covering morals. Mr. Jay had written on the margin: "Logical conclusion: a law to insure the wearing of overcoats in cold weather."

Now don't misunderstand. I am not against the SEC—I am thoroughly a "reconstructed broker" in that sense. And I think nobody should buy a new issue without reading the prospectus. I just wonder how it will be accomplished and why at this late date one firm out of many is suddenly singled out.

* * * * *

Indignation

JUST to make doubly sure, my counting house wrote to the Treasurer of South Carolina regarding a six per cent bond issued by that State in 1869, said bond (and a handsome one it is!) having appeared in a client's holdings. Replied Treasurer Jeff Bates:

"During the period 1865 to 1876, the State of South Carolina was controlled by northern military and carpetbag government. Millions of dollars in bonds were issued without authority and sold at various prices. The proceeds were used in many cases for personal gain and corruption. . . . When the State was returned in 1876 to its own citizens, every effort was made to straighten this situation out . . . those bonds which were found to be valid were refunded and paid. . . . The bonds of 1869 were probably the most fraudulent of all."

* * * * *

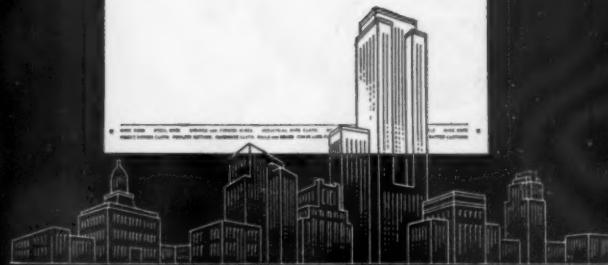
Good will

IN THESE modern times there must be more public relations counsels than advertising agencies—since every agency seems to have its own captive counsellor upon public relations.

Most annual reports are channeled through one of these practitioners of good will. Yet I doubt if the Gray Manufacturing Company of Hartford (\$3,888,000 in assets) employs such a technician—the following excerpt from its annual report sounds too sincere and too direct:

"There were 1,531 stockholders in the Company on February 21, 1946. The average holdings were

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They're 100% ROUND WIRE—that's why SWINGLINE Staples step up production in your office! You see, ROUND WIRE is stronger—gives cleaner penetration. And important! ROUND WIRE requires less strip-adhesive, commonest cause of clogging with ordinary staples. SWINGLINE precision-

made Staples are also 100% uniform, machine-counted, accurately aligned—and best for all standard staplers. If plenty of speed is what you need, get SWINGLINE trouble-free staples at your stationer's today!

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140 shares. The directors of the Company, together with officers, represent *all* the stockholders. Therefore, any stockholder, no matter how many shares he owns, who wishes to make any suggestions, should feel perfectly free to bring them to the attention of the management either verbally or in writing. A reply will always be made as clearly and promptly as possible."

I do not own—and never have owned—any shares in Gray. Yet somehow the above strikes me as sincere; I somehow feel that a stockholder writing Gray might get a more enthusiastic response than the following, which was penned by a top official of a foremost plumbing concern to a stockholder who had the temerity to ask about price policy—a stockholder whose name should have meant something to said official:

"Pardon delay in answering your letter of June 5, as writer has been out of city. Can assure you we are looking after our stockholders' interests as to markets, etc. Want to thank you for having written us, but know that you will appreciate that it would not be practical for us to go into further details except to tell you that we are familiar with changing conditions that affect our lines. Yours." . . .

My moral, gentlemen, is that good will must radiate from within, and cannot be bought from without.

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Privacy

HEADING it "Secret," The Royal Bank of Canada sends a message to depositors telling that "Every employee of the Royal Bank of Canada is bound by an oath of secrecy . . . is pledged never to divulge your bank affairs to anyone. No sane bank customer would have it otherwise. The assurance you enjoy that none of your private affairs will ever be divulged by the Bank is one of the reasons for your confidence in your Canadian banking system. This right to privacy is not similarly protected in other countries where banking is a Government monopoly."

★ ★ ★ ★

Marginal note

BANKS and brokers no longer may lend on margin for the purchase of securities. But in most big cities there are many private agencies that can, quite legally, lend at 20 per cent margin—and at stiff interest.

About Our Authors

Gunther Stein: Author, lecturer and student of world affairs, was a foreign correspondent from 1924 to 1934 in England, France, and USSR; from 1934 to 1937 in Japan; and from 1938 to December, 1944, in China for the *Christian Science Monitor*. Mr. Stein is the author of three books: "The Challenge of Red China," "Made in Japan," and "Far East in Ferment."

Vergil D. Reed: Entered the importing business in 1922, switched to the advertising field four years later. From 1928 to 1936 he was an associate professor of economics at Boston University, and during most of this time served also as vice president and research director for the Wells Advertising Agency. In 1935 he came to the U. S. Census Bureau as chief of the retail and wholesale division. The next year he was appointed assistant director of the Bureau. When World War II broke out, he was made chief of the general statistics staff and of the industry and facilities branch, Statistics Division, War Production Board. Now with the J. Walter Thompson Advertising Agency in New York, he is the author of three books and a contributor to technical journals.

Charles Michelson: Got his first newspaper job on the Virginia City (Nevada) *Chronicle*. When young William Randolph Hearst took over the old San Francisco *Examiner*, Michelson joined the staff. He has been part of the Hearst organization in every capacity—from correspondent to editor. After Al Smith's defeat, Mr. Michelson was persuaded to leave his post as political editor and head of the New York *World's* Washington Bureau to become the Democratic party's publicity director. "Charlie the Smear," as he was often called by the opposition party, retired as chief press agent following Roosevelt's third election. His book, "The Ghost Talks," has become a text in many politics-government courses.

C. C. Campbell: Formerly managing editor of the *American Aviation Daily*, is a free-lance writer on business and aviation subjects. A contributor to semi-monthly *American Aviation* and to *Aviation News*, he does a syndicated column for several newspapers. His stories have appeared in *Barron's*, *Coronet*, *Esquire* and other general magazines.

Vernon Vine: First wrote agricultural news for a weekly farm paper. After six years at that job, he moved on to the Farm Credit Administration. Two years later he joined the *Farm Journal* as associate editor.

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On the Lighter Side of the Capital



A tough boss wanted

A GENTLEMAN from Kentucky said at one of the hatchet parties in which his associates did a little peering that he, personally, is not a Fascist. He is a born in the manger Democrat and he hopes to die in the faith. But that if something is not done about our Government before long he thinks it will land in the ditch.

"What we need is a boss," said he, "who will crack the whip."

He would accept Taft or Byrd or Morse or Monroney or any of half a dozen others. Men with hard hands. The Government, he said, is loosening up like a cooky in hot milk. There are more people on the pay roll than at any time during the war and they do less.

A tough guy is needed to knock some sense into the payrollers. Because, he said, a terrifying tendency is being manifested by the people to elect men who are just honest and competent and not in politics at all. He could name a dozen off-hand. Of course, he said, this might just be accidental. But he was bound to observe that no one can tell on his first look at the spots whether the trouble will be smallpox or just German measles.

Sour chords are sounded

ONE of the worst faults of the Government as at present constituted, said an associate mourner, is that



its members are so extraordinarily vocal. He used another word which is just as atomic. Any one of its members, he said, who is important enough to have drawers on both sides of his desk, will emit views on anything if slightly nudged. He was forced to think of Ollie James, once Senator from Kentucky, and who came as near being the Spirit of Kentucky as any man who ever lifted a glass in that lovely state.

"He was tall, bald, eloquent and told a story better'n anybody . . ."

Ollie once told the speaker that

he owed his success in politics to the close study he made of his old Dominicker rooster. He was the best bred game chicken in Kentucky. He could out-shuffle any rooster in the Blue Grass country. He could fly higher and cut deeper than any fighting cock he ever saw. Only he couldn't keep his mind on his business.

"Right in the middle of a fight," said Senator James sadly, "he'd stop to crow."

Reminiscences were in order

ANOTHER spoke with venom of Mr. Truman's household guards. He likes the President, he said, and thinks that, on the whole, some of the current criticism is not justified. He continues to believe that Mr. Truman will be hard to beat in 1948, now that he has concluded to wear his hair shirt with less public twitching. The Republicans, he said, seemed to think they can run anyone and win.

"Maybe they can. But it's hard to beat someone with no one."

Mostly he blames Truman's near friends, plus the President's very unusual sense of personal loyalty. They moved in on him, he said, and the President just hasn't the heart to toss 'em out. He was reminded of something John Bigelow once wrote of President Grant, when he also was perplexed with hungry relatives.

"I have never," wrote Mr. Bigelow, "known a President who got in the family way so soon after election."

Abreast of the times

TO KEEP the record straight it appears that the Senate proposes to cut our debt limit to \$275 billions. That is within a billion or so of what the Treasury now has on the books.

And at the same time—

We have committed ourselves to lend \$21 billions to other countries. More billion dollar loans are in contemplation. These will all come out of the taxpayer's pocket. American bankers would be glad

to make all the European loans that have security behind them. Senator Taft said that:

"Sooner or later we must stop lending. When that time comes the collapse of our export trade must throw thousands of men out of work and will accentuate any depression that may exist . . ."

Zip goes another billion

THE JOYOUS way in which we—or somebody—handle our money recalls an experience narrated by Luther Steward. He is the grandpappy or something of the federal employees' association idea. It was he who taught the riders of the swayback chairs how to get more money out of Papa. One day a little old man came in the smoking car somewhere near Oklahoma City.

"He wore a fine hat and \$40 boots, but in between his clothes would have been dear at \$2."

The old man was figuring in a grubby memorandum book with the stub of a pencil. At last he looked up at Steward.

"I can't work out my income tax," he said. "It's got my lawyers stumped, too. Trouble is I sold a little jag of hay land not long ago."

Mr. Steward made consolatory noises.

"The oil fellers," said the old man, "paid me \$18 millions, but by dang, sometimes I'm sorry I sold it."

Wallace in Wonderland

SOME of the hot water at the cloakroom gatherings—they are as bi-partisan as camp meetings—is squirted at Secretary of Commerce Wallace. Exception is taken to almost anything Mr. Wallace says, which may be taken as an evidence that his heart is in the right place, but that he occasionally stumbles off the beam. He is also criticized for holding down a place in the Truman administration at the same time that he is cherishing hopes that the CIO will dominate the next national Democratic convention to his profit. This did not seem probable to the experts. One said his impression is that Mr. Wallace may listen to too many people. This, he said, is a dangerous flaw in any scheme of politics.



Fate of the hot-dog man

ANOTHER said that Mr. Wallace's present relations with the Admin-

istration, business, the Democratic party and Sidney Hillman made him think of a certain old hot-dog man.

"He made so much money at his stand that he was able to send his son through college. He was so hard of hearing that he never listened to the radio, and he never read the newspapers because he was embarrassed by the way he moved his lips."

But he kept on being prosperous.

"Then his son came back from college and began to wise him up about how hopeless was the outlook, and the old man went broke. Last I heard he was selling pencils."

Reference to Mr. Wallace seems a bit on the subtle side.

"In the need of prayer"

THE STATE Department seems rigidly determined to sit this one out.

"No one has resigned yet."

One report circulated in the lower orders of the Department is that the President proposes to have a house cleaning as soon as a few more of his occupational itches have been cleared up. He comes from a breed which regards a spat as something between husband and wife rather than as an ornament to locomotion.

And as a matter of practical politics, too, there are certain jobs in the Department that might be just as well filled by a guy from Missouri as by a superman from Groton. And perhaps better. The news leaks from the chateau on Pennsylvania Avenue have roused the President to use language Bret Harte once described as "painful and free."

One of his cables to Bedell-Smith—and for the love of Mike call him bee-dle and get a higher rating than the broadcasters, poor things—was on the air almost before it got to Moscow.

An un-American activity?

THE SAME lower orders hear that when the members of the House get the local voters out of their hair they may consider a resolution to investigate the State Department. They think this might be contrary to the Constitution,

but they do not see how this could stop proceedings. The one-time refuge in the Supreme Court is no longer available, now that the Court is writing its own laws and making Congress

like it. Also some of the rougher members think this might be a pretty good thing.

"Look," said one insubordinate rascal, "some one in the Department asked the U. S. Potters' Association to name engineers to be sent to Japan at the expense of the State Department to teach the Japanese how to improve their ceramic products."

The words he used in describing this performance were never learned at his mother's knee. American potters are yowling their pretty heads off, for one thing, and it has given the mislikers of the Department concrete evidence of the truth of what they have been charging.

To make it perfect the Departmental request was addressed to a potter who has been dead for the past 35 years.

They mean well, but—

THERE are plenty of able men in Congress. They are honest, patriotic, thoughtful. Here are also men who could be strained through cheesecloth. As a broad general proposition able men are chairmen of the standing committees in the Senate and House. They became chairmen through seniority, of course, but they were seniors because the folks back home liked their way of doing things.

This is also true of the ranking minority members in each committee, who are the men who will become chairmen if there is a political overturn.

Therefore, in the opinion of the men who sit in the lookout chairs at the game called politics, the bill framed by a joint committee of the House and Senate for a streamlining of congressional procedure by a reduction in the number of committees by two-thirds has no chance whatever of becoming law. Every one admits it should be enacted.

No voice of a greater quality than mouse-power has been raised against it. If it were ever passed Truman would certainly sign and make it law. That law would do more to improve the processes of government than any other reform now in sight.

It will not become law because the chairmen of the committees and the aspirants for the chairs will quietly stifle it. Love and the moral law never did get along well together.

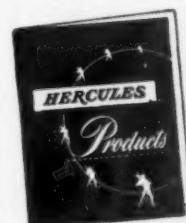
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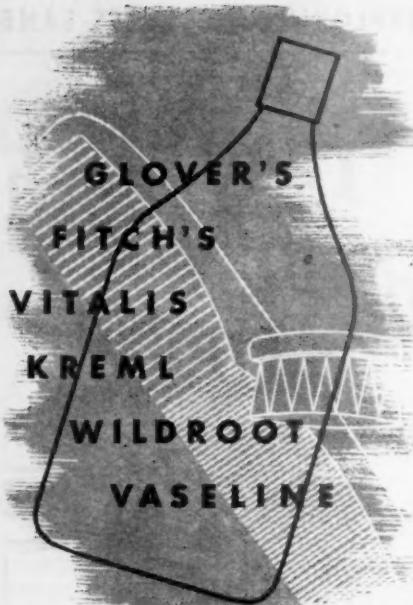
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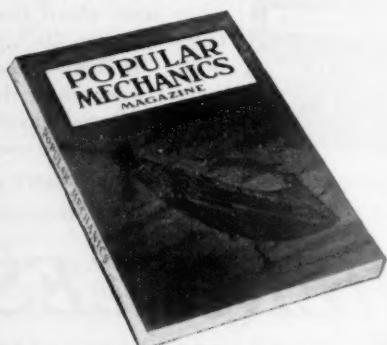
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